

DECEMBER 31, 1979

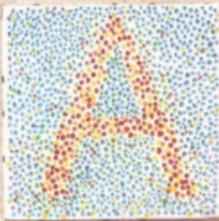
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TIME

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The Art and Antique Boom

**After Seven Weeks
A Cruel
Stalemate**



53



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So while we're looking for other alternative sources of energy, we'll continue to use gasohol as a way to make our current supply of gasoline go further.



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A Letter from the Publisher

Sugarplums, humbug! After covering the pre-Christmas offerings at some of the world's finest auction houses for this week's cover story on the "collectibles" craze, several TIME collectors had visions of something more elaborate dancing in their heads. Their Christmas lists follow.

Senior Writer Michael Demarest, who wrote the story on the growing rage to collect everything from Bruegels to Barbie dolls, is a traditionalist in these matters. "A Louis XV marquetry cabinet would be nice," he says, "though I would be quite content to receive a second painting by Jack Yeats [Poet William Butler Yeats' brother] to go with the one I have." Demarest began covering the auction scene—and, inevitably, acquiring some treasures for himself—while stationed in TIME's London bureau from 1958 to 1961. "It was convenient," he says, "and I got very good advice. Sotheby's was around the corner from our offices, and its chairman, Peter Wilson, used to lunch at TIME's cafeteria."

Reporter-Researcher Georgia Harbison, who interviewed the owners and patrons of Manhattan's top auction houses, shares Demarest's taste for fine art. "Chinese lacquer chests in-

terest me, and so do impressionist paintings. I wouldn't mind getting a Renoir for Christmas. It can be a very small one."

Some of those who worked on the story were knowledgeably specific in their selections. "An intact Jaipur vase to replace one cracked en route from the Far East," requests Chicago Orientalia Buff Pat Delaney, who covered the Midwest auction scene. Erik Amfitheatre, who interviewed directors of Sotheby's and Christie's in London—and who began buying Japanese art while reporting from Tokyo in the 1960s—dreams of finding the Hiroshige print *White Rain at Shono* under his Christmas tree. "Alas, my chances are slim," he admits. "It was auctioned at Christie's New York this year for \$13,000." But no art, thank you, for Art Critic Robert Hughes, who wrote this week's Essay on collecting. Says Hughes, who has received his share of free samples from would-be-but-weren't Picassos: "I'll accept anything anybody chooses to give me, except unsolicited artwork."

Meanwhile, we at TIME hope you dream of when you open your Christmas packages—and wish you the best for the holiday season.



Demarest and Harbison at Sotheby Parke-Bernet

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Cover: Painting by Eugene Mihaesco; photographed by Roberto Brosan.



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Were you an accessory to this crime?

**Were you the host who let him have too
much to drink, knowing he was going to drive?**

**Were you the friend who said nothing
because you didn't want to offend him?**

**Were you the passenger who let him get
behind the wheel?**

**When he got in his car and turned the key,
he became a menace to himself and everyone
else on the road.**

He was committing a crime.

**And by doing nothing to stop him, you
became an accessory.**

**This is one crime we can all help stop.
By refusing to be accessory to it. By
convincing anyone who's had too much
he shouldn't be driving.**

**And if we can do that, we can save a lot
of lives.**

Seagram
Distillers Company

Letters

Shah's Refuge

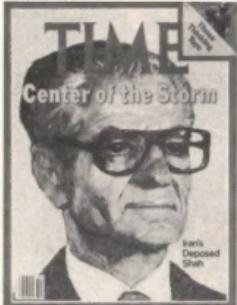
To the Editors:

High as the price may be, the nation's honor requires that we now repay the Shah's [Dec. 10] long and faithful friendship with a permanent refuge in this country. No pious hypocrisy can wash away this obligation.

José Sánchez
Indianapolis

I will readily confess that the Shah of Iran was far from a saint, but the people of Iran, by ousting the Shah and welcoming Khomeini, have chosen to jump out of the frying pan and into the fire. And now they want to accuse the U.S. of lighting the stove.

Sigmund Oscopy
Marquette, Mich.



If the U.S. had taken a vote on whether to admit the Shah, it would have been 220 million against it, and against Carter, Kissinger and other assorted idiots for permitting it.

Paul D. Steponaitis
Greeley, Colo.

Were the Shah guilty of all the crimes Khomeini accuses him of, Khomeini wouldn't be alive today to make the accusations.

Micheal Ivanchak Jr.
Schwetzingen, West Germany

It has always struck me as incredible that anyone could expect others to suffer and possibly die for him without doing what he could to prevent it, even if it meant exchanging places with them. Former Shah Mohammed Reza Pahlavi is a case in point.

Lawrence E. Brown
Hayward, Calif.

The former Iranian leader left Iran in the face of protest that was threatening a government of which he was in control. If he had stayed and fought, an inevitable civil war would have ensued.

leaving great human and material destruction. The Shah's departure saved more than his own neck.

John Cumming
Langley, B.C.

Before admitting the Shah to the U.S., President Carter should have asked the question "What is best for my country?" not "What is good for the Shah?"

Welton Bummler
Albuquerque

For 30 years Iranians have watched with growing frustration and anger the continued support of the U.S. for the ex-Shah, allowing him to carry out policy of repression and corruption.

It then blackmail that, at last, Iranians have decided to liberate themselves from the shackles of imperialism and hunt down the traitors?

Mahyar Enami
Tehran

Kennedy on the Shah

What an ill-advised moment for Senator Kennedy to raise questions about the Shah [Dec. 17]! He just added fodder and fuel to Khomeini's fury and fires.

Kenneth Lagerstedt
Buzzards Bay, Mass.

I liked Kennedy better when he was incoherent. Very poor taste.

Pete Petterson
Dorena, Ore.

I'm proud of Senator Kennedy for having the guts to denounce the Shah as a tyrant. He has again proved to me that we do have one great leader in the U.S.

David Marks
Summit, N.J.

Aiding Nature

Dr. Frank Gerow's remark that it is better for women not to be familiar with penile implants [Dec. 10] is a surprising one. Penile implants are not for self-indulgence, but to aid the male in attaining an erection for intercourse. The other 50% of the intercourse equation is the partner, who must be included if optimum treatment is to be achieved.

Domeena C. Renshaw, M.D., Director
Loyola Sexual Dysfunction Clinic
Maywood, Ill.

How does a male with equipment akin to parts in a car junkyard and intent on lovemaking conceal such surgery?

Alice Deus
Hammond, Ind.

Aiding nature? I hardly think so. Nature had decided that some men at some time should not engage in sexual intercourse, and the artificial introduction of these devices is a deliberate violation of that decision. This issue is merely reflec-

tive of a greater problem facing technological man: At what point do our scientific advancements cease aiding nature and begin thwarting it?

Edward N. Peters
St. Louis

We rustics on Maui are doing it better. Our device is fitted with a minicomputer; a dial on one's wrist indicates Off, Mild, Medium or Wow! Muzak accompanies our gadget.

Zalman Werblow
Kihei, Hawaii

Beeping Toys

Those beeping, thinking toys [Dec. 10]? How long will it be until the toys are playing with the people?

Van Young
New Canaan, Conn.

My integrated circuit nearly malfunctioned over the review of my worth as an electronic toy. My play value is for children and comes not from using my arms and legs "like a true robot," but from the science-fiction fantasy inspired by my electronic audio and visual effects.

Rom, the Space Knight
Parker Bros.
Beverly, Mass.

The brain of "those beeping, thinking toys" is not just a memory chip. It doesn't just store data, it manipulates them. This chip is correctly called a microprocessor.

Robert Tower
Rolla, Mo.

Good Neighborliness?

In your report on South Africa, Prime Minister Botha [Dec. 3] defines apartheid as "good neighborliness," whatever that means. His comments on South Africa's blatantly racist policies sound as petty and fatuous as they really are. That bit that said that acts such as the immorality act had "existed all these years to protect colored and black women from being exploited by ruthless white men" generated cynical laughter.

Clive Antioch
Veldhoven, The Netherlands

Botha has a particularly difficult time of it, since he must somehow obscure the ugly face of racist discrimination. But to translate apartheid as "good neighborliness" is the height of cynicism. One might as well refer to murder as "giving someone a well-deserved rest."

Mike Turner Jr.
Austin

No Cholesterol at All

In your article "Flower Power on the Plains" [Nov. 26], you claim that sunflower oil contains less cholesterol than oils



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Letters

made from corn or soybeans. The truth is, there's no cholesterol in any of these oils, naturally. Cholesterol occurs only in foods of animal origin.

Sharon Kennedy
East Lansing, Mich.

Man of the Year?

I would like to suggest Bruce Murray, director of the Jet Propulsion Laboratory, for Man of the Year.

It is through the work of the J.P.L. that we are now just beginning truly to explore our solar system, and through this exploration we will come to understand the uniqueness of our own earth.

Rosalind Nester Ellis
New York City

A lot of people may think I am joking, but I am totally serious with my choice. He is Claude Ryan, the Liberal leader in the province of Quebec. Ryan has had to face the pressure of separationism, which threatened to break up one of the most politically stable countries in the world. If Canada stays together, it can thank Claude Ryan.

Howard Berglas
Montreal

Anwar Sadat for sure: a man who has the courage to stand up for human decency and most of all loves his people deeply. He is a true Muslim and Arab.

Immo H. Christoph
New Boston, N.H.

This season's winners are Actress Diane Lane and Tenor Luciano Pavarotti. In a year of conflict abroad, these two artists have provided us with peaceful diversions. We have been engulfed by their beauty, inspired by their energy and enriched by their expression.

David M. Sisk
Austin

Former Attorney General Ramsey Clark is a dedicated, hard-working, low-profile, ever-vigilant champion of human rights whenever and wherever they are threatened.

T. Patrick Duggan
New York City

TIME Man of the Year should be Senator Henry Jackson. In these chaotic times he stands always as the last and final insurmountable obstacle preventing a takeover of the asylum by the inmates.

Dave Seabrook
Inuvik, Canada

I nominate Frank Perdue. He has given dignity back to the chicken.

Maggie Giglio
Old Forge, Pa.

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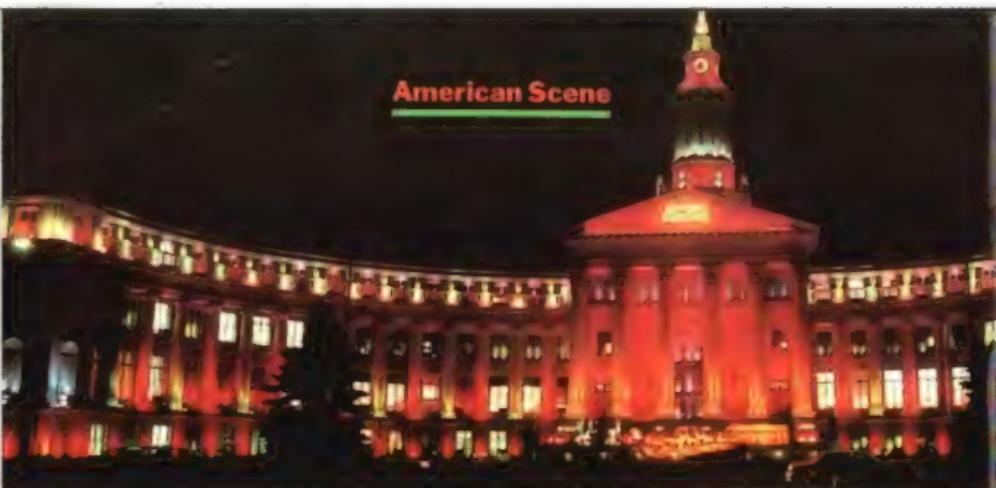
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American Scene



In Denver, the 435-ft.-long, neoclassical colonnaded City and County Building is decked with a necklace of 15,000 red, green and blue lights and

States' Lights and Christmas Rites

It comes stealing up on us first in the wide eyes of very young children, who see Christmas shining a long way off. Older brothers and sisters are more nonchalant; they can be downright businesslike about it. A camera would be O.K., but how about a snowmobile? As the day approaches, the spirit settles over them, too, like fresh snow on a busy town. Parents come round last, rushing from toy stores to cocktail parties, muttering about the cost of evergreen trees, chilled by the cold glare of Christmas bills to come. By

Christmas Eve, though, everybody is a willing conspirator.

All across America, the same stirring. But it shows itself in different ways. In the capitals of the 50 states, those differences are delineated in lights. This Christmas the capitals have become beacons bearing witness to individual state character.

In Santa Fe, N. Mex., government buildings, businesses and houses are trimmed with *farolitos*, votive candles burning on a bed of sand in small paper bags, that offer a warming gleam against

the dark. Olympia, Wash., launched a gaudy annual contraption called Christmas Island, assembled from Army pontoon bridges and anchored offshore with a forest of lights and a life-size Nativity scene. Denver's stately City and County Building is a blinking, electrified gingerbread house as multicolored as a jukebox. Not to be outdone, Austin sports a 165-ft.-tall, man-made metal tree shining out over a Santa's Village of shops in a turn-of-the-century setting. Atlanta's capitol holds its own 31-ft. Eastern red cedar, be-

In Washington, the congressional tree outshines the Capitol dome



In Baton Rouge, La., strategic lights turn capitol tower into a tree





bathed in multicolored glow



Historical busts frame Atlanta tree with snowflakes made of crocheted yarn

decked with red ribbons and 2,000 white yarn snowflakes painstakingly crocheted by the state's senior citizens. Boston's golden-domed statehouse backs a Common of white-lit trees. In Sacramento this year, because the capitol building is undergoing reconstruction to strengthen it against earthquakes, only two 10-ft. firs herald the holiday. And in Washington, a white spruce festooned with 2,500 colored lights and 5,000 shiny ornaments easily upstages the Capitol behind it. But over near the White House the nation's official Christmas tree is dark except for one star at the top because the hostages in Iran have yet to receive a Christmas gift of freedom from the unwise men in the East. ■



Festooned trees on Boston Common



In Austin, a man-made metal tree; below, Salt Lake City's Temple Square aglitter



Nation

TIME DEC. 31, 1979

Carter's Rousing Revival

Riding a wave of patriotism, the President becomes the front runner

He asked that Americans fly the flag to indicate support for the 50 U.S. hostages in Iran. Across the country last week, flags flew. He asked for letters to the hostages. From every corner of the nation, the mail poured forth. The national Christmas tree that he had refused to illuminate remained dark behind the White House as a reminder of the hostages' plight. And then, in response to Tehran's renewed threats to put the hos-

threat of a serious recession growing more real each week.

On balance, the American people had judged Carter to be inept. So inept, indeed, that Senator Edward M. Kennedy, before announcing his candidacy last month, held a 2-to-1 lead over Carter as the choice for the Democratic presidential nomination. All that has now changed. Riding a wave of patriotic fervor and a degree of unanimity unseen in this coun-

try has been a shift of 63 percentage points in four months. An even more ominous sign for the Kennedy candidacy is the Yankelovich finding that among Democrats, even those who call themselves liberal Democrats, Kennedy's once commanding lead has been erased.

The Carter lead over Kennedy covers all parts of the country. In Kennedy's previous stronghold, the Northeast, Carter leads 47 to 39. In the West, where Carter failed to carry a single state against Gerald Ford in 1976 and where Kennedy has been strong, Carter is ahead 49 to 35. At the same time, Jerry Brown has virtually been pushed off the board as a serious presidential candidate. Carter leads him 71 to 16 nationwide.

The revival in Carter's political standing has occurred not only because of widespread approval of his handling of the hostage crisis (two-thirds say he has managed the situation "just right"), but also because Ted Kennedy has declined sharply in the public's esteem.

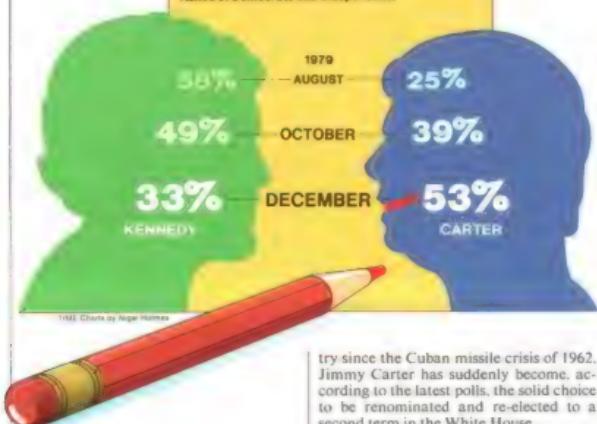
Kennedy has lost popularity partly because his image as a strong leader has softened as he has mumbled and fumbled on television and on the hustings. He suffered a serious, self-inflicted wound from his outspoken criticism of the Shah of Iran while the Americans remained captive in Tehran. A whopping 74% disapproved of Kennedy's remarks being made at that time. Only 17% approved.

Asked whether their opinion of Kennedy has changed, 40% said their impressions have got worse. Sixty percent of those reporting an unfavorable change said it was because of his remarks about the Shah. Twenty-five percent cited his stands on issues, and 13% said his attacks on Carter were the cause of their altered views of the Massachusetts Senator. Kennedy's image as a strong leader, although still the best among all presidential candidates, has also declined. In August 58% said he would be a "very strong" leader. Now 41% hold that view.

In addition to falling popularity, the Kennedy campaign itself has had its share of difficulties. In New York, for example, where Kennedy was thought to be the favorite to win the primary, Carter has moved quickly to pick up the endorsements of four of the five major New York City Democratic leaders and the mayors of the state's major cities. He

"Whom would you prefer as the Democratic nominee?"

Asked of Democrats and Independents



tages on trial for spying, he threatened economic sanctions and even a naval blockade to cut off the world's commerce with Iran.

This was Jimmy Carter, President, leading the U.S. in a way that, until the Iranian crisis erupted in November, the former Governor of Georgia had not managed in his three years in the White House. Through those first thousand days, Carter had stumbled and tripped, scored some victories, but lost his way many times. Under his Administration, the economy had worsened, with inflation moving to levels higher than any since the end of World War II and with the

try since the Cuban missile crisis of 1962. Jimmy Carter has suddenly become, according to the latest polls, the solid choice to be renominated and re-elected to a second term in the White House.

According to a survey of public opinion conducted for TIME Dec. 10 through Dec. 12 by Yankelovich, Skelly and White Inc., Carter leads Kennedy 53 to 33 among Democrats and independents.* That result, obtained from telephone interviews with 1,041 registered voters, reflects one of the most dramatic political turnabouts in modern American political history. Before the Iranian crisis, which began with the embassy seizure on Nov. 4, Carter trailed Kennedy by ten points, meaning that he has surged 30 percentage points in one month. As recently as August, Kennedy led Carter by 33 percentage points, which means *The sampling error in the survey is plus or minus 3%.

also has the assistance of Governor Hugh Carey's organization in raising funds. Although Kennedy picked up half a million dollars at a Manhattan fund raiser, his speech was so lackluster that many of his supporters were disappointed.

In Illinois, where Kennedy scored something of an early coup by winning Chicago Mayor Jane Byrne's endorsement, the campaign organization is still in a disorderly state. Even the mayor's aides have begun joking about the Kennedy effort. Snarked one: "It's the only campaign operation in town with an unlisted telephone number."

And in Iowa, where the organization that Kennedy is building is sound and well run, campaign aides say supporters are growing disappointed with the Senator's poor performance and with his continued inability to give a crisp and convincing reason why he is running for President. The Iowa operatives are now saying that only a superior performance in the January debate against Carter in Des Moines can help them carry the state.

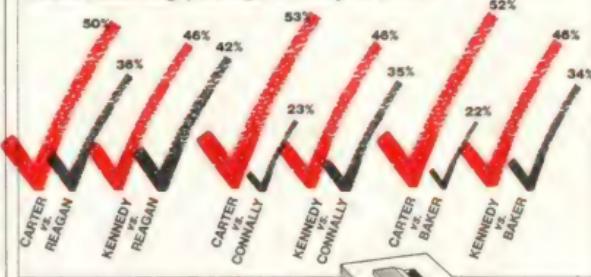
Still, the very volatility of the public mood shows that Carter's lead over Kennedy is far from insurmountable. Despite the unity over Iran, the national mood remains bleak, although somewhat improved since summer. Forty-two percent of those surveyed said the state of the nation was "very bad," and 34% rated it "poor." Only 24% said the nation was in "good" shape.

Personal financial concerns were also troubling many Americans. Forty-three percent said they worried a lot about keeping up with their bills and nearly a third now report major anxiety about losing their jobs. Two-thirds said they were worried about an energy shortage.

"How do you feel things are going in the country these days?"



"If the presidential election were held today, for whom in the following pairings would you vote?"



Lack of confidence in Carter's handling of these persistent domestic concerns is undiminished. The survey found that only 15% expressed "a lot of confidence" in Carter's management of the nation's energy problem.

Indeed, Carter has been slow to use the Iran situation as a way to mobilize the country for his energy programs. But last week he was considering the imposition of a broad series of compulsory conservation measures, ranging from odd-even rationing to no-driving days to increased gasoline taxes.

Similarly, 56% said that "inflation, high prices and the economy" were the main problems the country faces, but only 10% thought Carter has done well in dealing with these concerns. Kennedy ranked twice as high as Carter in people's confidence in dealing with energy and the economy. When Iran is no longer the chief concern of the voters, Kennedy will again have an exploitable issue with which to attack Carter.

The new public support for Carter has also had a strong effect on his chances when he is compared with the leading Republican candidates. In a TIME/Yankelovich survey in August, former California Governor Ronald Reagan led President Carter by four percentage points. But now Carter has pulled into a comfortable 14-point lead over Reagan. Carter would also now swamp John Connally, 53 to 23, compared with a mere four-point advantage for Carter in August. Carter leads Howard Baker by 30 points; in August the President and the Senate minority leader were running in a dead heat.

No one has Ted Kennedy lost ground to Carter, but his once dominating position against the three Republican candidates has vanished, although he still manages to beat all three in trial heats. Kennedy barely edges Reagan, 46 to 42, and has an eleven-point advantage over Connally, 46 to 35, and a twelve-point lead over Baker, 46 to 34.

Among Republicans, the struggle for the nomination remains virtually frozen.

Ronald Reagan, now an announced candidate but one who has done only the most perfunctory campaigning, remains almost unchallenged in the Yankelovich survey. He continues to command the support of nearly a third of Republicans and independents. Gerald Ford, although he has disavowed an active quest for the nomination, continues as the second-most popular Republican, with 23%. John Connally remains third with 14%, up slightly from his October rating of 11%. Howard Baker is still fourth with 10%. Former CIA Director George Bush, touted by many as a potential threat to Reagan in next month's caucuses in Iowa, has gradually moved up from a mere 2% last April to 7% now.

Many of the Republican campaign managers whose candidates trail Reagan have grown increasingly frustrated by Carter's dominance of national attention with his management of the Iran crisis. They feel that whatever chance they have of catching Reagan is being diminished by their own inability to criticize the President and thus to draw attention to themselves. Last week staffers on one campaign even approached Republican National Chairman Bill Brock, urging him to lead the way in breaking G.O.P. silence about Carter and Iran. Brock agreed that all the party's candidates were suffering from Carter's political popularity, but shied away from leading a Republican charge at this time.

As the crisis drags on into the new year, the impact of the long stalemate over the hostages is less predictable. The political benefit Carter has gained could erode as national impatience increases. The final resolution of the crisis will determine whether Carter benefits or suffers from his handling of the situation.

Nation

Santa Calls on Chrysler

Congress acts to save the automaker from bankruptcy

It is the most extravagant Christmas gift a bountiful Uncle Sam has ever given a U.S. company. Just before recessing for the holidays, Congress last week agreed to extend an extraordinary \$1.5 billion loan guarantee to the ailing Chrysler Corp. and sent the measure to the White House for Jimmy Carter's signature. The gigantic bailout, dwarfing the \$250 million Lockheed loan guarantee of 1971, is designed to save from bankruptcy the nation's third largest automaker and tenth ranking manufacturer (1978 sales: \$13.6 billion). With Chrysler's losses mounting daily, its 1979 deficit is almost sure to exceed \$1 billion, the gaudiest splash of red ink in U.S. corporate history.

While Washington may have given Chrysler a reprieve and preserved jobs for its 137,000 employees in an election year, the action may be a dangerous example for a system in which the right to fail is as enshrined as the right to succeed. Moreover, if Chrysler cannot make a U-turn and start generating the profits needed to pay back its loans, the U.S. taxpayer could get stuck with a portion of the \$1.5 billion tab. Assessing the action of his colleagues, Senator Barry Goldwater, the Arizona Republican who is a leading advocate of keeping government out of the private sector, called the bill "the biggest mistake Congress has ever made."

The measure, however, is far from a pure giveaway. For one thing, the loan guarantee is not a handout but simply the Government's pledge to reimburse private parties for the money, up to \$1.5 billion, that they lend to Chrysler if the auto firm is unable to repay the loans. This promise should enable Chrysler to return to the money markets that have been closed for the past year. The automaker, moreover, will pay the Treasury an annual fee of at least 1% of the sum guaranteed.

Chrysler will be eligible for the federal guarantee only if it raises \$2 billion on its own from sources specified by the legislation. From domestic banks, financial institutions and other creditors, for example, Chrysler must find \$400 million in new loans that would not be covered by the Government's guarantee. Because the fate of Chrysler's suppliers and dealers is so closely tied to that of the automaker, Congress insists that they contribute \$180 million by such means as buying stock or extending loans. Similarly, the states and cities that benefit economically as the sites of Chrysler plants must kick in \$250 million. An additional \$300 million is to be raised by selling more of the company's assets. (Chrysler has liquidated more than \$400 million of its holdings this year.)

On top of this, the key requirement imposed by Congress is the contribution



Fraser (left) lobbies Thompson

"We won't be able to dig ourselves out."

from Chrysler's workers. Although its blue-collar employees have already agreed to forgo expected wage increases amounting to \$203 million in the next three years, Congress insists that an extra \$259.5 million be cut. This will force Chrysler and the United Auto Workers to renegotiate the contract that they concluded in November. Said Senator William Roth, the Delaware Republican: "Our proposal would have to be ratified by the workers. Ultimately, it is up to

future? Count on it.



Chairman Iacocca in front of ad slogan

"We've got to turn around a car company."

them." White collar employees will also be hit: their wage packages are to be trimmed by \$125 million.

Chrysler's management will have to yield some of its autonomy. A board, consisting of senior federal financial officials as well as the Secretaries of Labor and Transportation, will oversee the firm's operations in detail. Congress's general accounting office will have the right to audit the company's books.

By the time the two houses of Congress began debating the Chrysler bill last week, the threat of bankruptcy was intensifying at an alarming rate. Because of the current general slump in auto sales, down 21% last month, Chrysler has been running out of money faster than had been anticipated. The giant corporation could be broke by mid-January, a month ahead of its projections. To give Chrysler the time to raise the funds it needs, Congress had to act before the holiday break. In a rare emotional appeal to the House of Representatives, Speaker Tip O'Neill brought a hush to the chamber as he recalled the dark days of the Great Depression and warned that failure to save Chrysler would result in worker layoffs large enough to trigger a new depression. Said he: "We won't be able to dig ourselves out for the next ten years." In the Senate, Massachusetts Democrat Paul Tsongas described how his home town of Lowell, Mass., had been crushed by the decline of the textile industry and declared that he "did not want to do to my city."

Even more effective than these appeals was the lobbying offensive launched by Chrysler, the U.A.W. and the Administration. Jimmy Carter got on the phone to urge key legislators to back the bill, as did Chrysler Chairman Lee Iacocca, who placed a series of calls from his corporate suite in Highland Park, Mich. Meanwhile, U.A.W. President Douglas Fraser (who is now also a Chrysler board member) cornered Senators in the chamber's ornate reception room. These pro-Chrysler forces stressed the argument that the collapse of the firm would be an economic disaster for the nation. This contention, however, is disputed by a number of experts. Under bankruptcy proceedings, for example, most of the plants could be kept running under a court-appointed trustee. And even if Chrysler were forced to liquidate, which is a worst-case situation, a number of its operations would presumably be bought and revitalized by other firms.

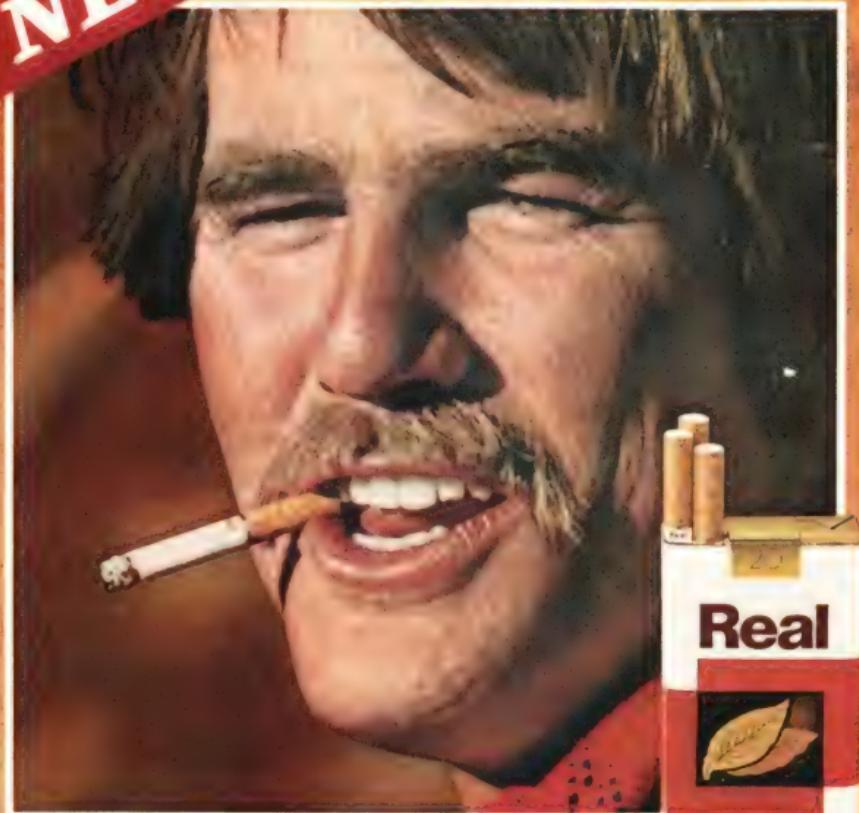
But in the end, economic issues seemed to count for less in the cloakrooms on Capitol Hill than a powerful political argument: Did legislators, in an election year, want to risk appearing unconcerned about Chrysler workers' jobs?

For Iacocca, the former top Ford executive signed on a year ago by Chrysler to save the day, the victory in Washington was just the beginning of the struggle. The engaging and voluble trouble-

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Nation

shoaler looked more relaxed than he had in months as he told TIME Detroit Bureau Chief Barrett Seaman: "Chrysler has to start a new inning. We've got to turn around a car company, get the quality in the cars and get them out on time." His first priority is what he calls a "confidence program." As soon as Carter signs the loan guarantee, Chrysler will blanket the country with television, newspaper and magazine ads flashing the word that the company has come back from the brink. Says Iacocca: "I've got to convince the public that we're in business to stay." Chrysler employees will be treated to pep talks videotaped by Iacocca and given T shirts proclaiming WE CAN DO IT.

If he can get his cash, Iacocca hopes to save Chrysler by introducing next fall his so-called K cars: fuel-efficient, front-wheel drive compact that will replace the company's Volare and Aspen models and compete with the similar and fast-selling X cars of General Motors. In addition, Iacocca plans to expand production of Chrysler's popular subcompact Omni and Horizon. Says he: "We're set up to build every small car we can. By 1981, 67% to 70% of our total cars will be small, front-wheel drive, compact and subcompact cars—far more than anybody else—getting 25 to 30 miles per gallon and up." But Iacocca also plans to field a big, new Imperial next year. Though he realizes that he will be criticized for building this kind of auto when demand is mounting for small cars, he argues that not only is there still a market for a luxury vehicle but that its potential for profits is enormous. He adds that the investment will be relatively modest because the new Imperial will be a modification of an existing Chrysler model. Says he: "Big deal. I did it with the Mark at Ford; it was a Thunderbird with a new wrapper. I took a Falcon and made it into a Mustang."

Iacocca's optimism is not universally shared. Market conditions could be worse next year than Iacocca anticipates, and the competition will be cutthroat. For example, though Chrysler plans to invest some \$12.6 billion in new cars and trucks over the next five years, GM will be pouring \$38 billion into new models, and Ford will be committing \$20 billion. But Iacocca is philosophical about being the smallest of the Big Three. Says he: "That's the way it is. I've always said that we've got to play it smarter. I love to play poker with these big guys. But I go in with this little stack of chips and I look over at these guys with big stacks and it scares the hell out of me."

Before Iacocca plays poker with GM and Ford, he must sit down with an equally tough card shark, the U.A.W.'s Fraser, to renegotiate Chrysler's new contract with its workers. If they fail to find a wage formula that meets the requirements set by Congress, the federal guarantee package will fall apart, and Chrysler's very survival will again be in grave doubt. ■

Talking Too Tough at the Top

Chicago's mayor derails the "city that works"

"**T**his wouldn't have happened if Mayor Daley were still alive." So Chicagoans console themselves when things go wrong, and last week, it is true, the late Richard J. Daley would scarcely have recognized his beloved city. A transit workers' strike stranded a million commuters and temporarily disrupted the city's economy. A walkout by oil delivery truck drivers caused a gasoline shortage. For the first time, the city's firemen voted to authorize a strike. And the school system, the nation's third largest, was on the verge of bankruptcy and in danger of closing. The "city that works" had never been so close to a breakdown.

In his 22 years as mayor, Daley faced strikes aplenty; yet he had a knack of finessing and postponing problems until

also had clout and trust. A handshake was sufficient to seal an agreement. Because she is new to the scene, Byrne's handshake is not yet enough. With the help of management personnel, she got some trains rolling, and rode on one herself. A Chicago judge then came to her rescue by issuing a permanent injunction against the strike and ordering binding arbitration of the dispute. After four days in the yards, the buses and trains were in service, but the walkout left scars on both the city and the mayor.

Meanwhile, Byrne, the Chicago school board and state officials were scrambling to put together an emergency loan package to keep the schools from collapsing. Shut out of the bond market in November because of a poor rating,



Jane Byrne joins the crush aboard one of few elevated trains in service during transit strike. She lacks the Daley knack for finessing problems until, sooner or later, they go away.

sooner or later, they went away. Combative Jane Byrne, however, makes the mistake of attacking labor unions and other groups rather than hunkering down with them in search of a compromise.

Byrne's biggest problem has been the transit strike. By taking a tough stand, she initially had public opinion on her side. The 11,000 transit workers are among the highest paid in the nation; experienced bus drivers make \$10.58 an hour. Only a week before the walkout, a settlement seemed in sight. The two Amalgamated Transit Union locals agreed to two cost of living increases a year with a 14% annual ceiling. But then talks abruptly broke off.

Part of the reason was that Mayor Byrne talked too much. She had threatened to bring in strikebreakers if the drivers walked out. She called in the parties to the dispute and announced a settlement before it was actually made. Says a former aide to Daley: "He never called people in. He waited until both sides asked him to act. Then he got to work." Daley

the educational system faces a shortfall of \$459 million by the end of the fiscal year on Aug. 31, 1980. It needs \$190 million just to keep going through January.

Again, Byrne's pugnacious style seemed to make the problem worse. She got into a public fight with Illinois Governor James Thompson over whether the state or the city had the ultimate responsibility of financing the schools. Says Jerome Van Gorkom, who was appointed by Byrne to head an oversight committee for the schools: "The situation is not serious; it is desperate."

Daley is at least partly to blame for the crisis. He had a habit of agreeing to generous labor settlements for teachers without knowing how he was going to pay for them. To some extent, he mortgaged the future of the schools to buy short-term labor peace. But he also had the muscle to keep the city going by prying additional aid out of the state legislature. Byrne will have to relearn some of Daley's lessons if the city that works is going to start working again. ■

Nation

The Cruel Stalemate Drags On

Threats, warnings and shifting signals on the hostages



Iranians carry away the body of Khomeini Colleague Mofattah after his assassination

Carter doesn't know how ridiculous he sounds when he threatens us," jeered Iran's tempestuous Ayatollah Ruhollah Khomeini. "The noises he makes are similar to those of a frightened lion, who does three things: he roars in the hope of frightening off his challenger, he makes rude noises because fear causes his muscles to contract, and he sways his tail in hopes of finding a mediator."

It can prove dangerous for anyone confronting a lion to conclude that the animal is frightened. But given the Iranian taste for hyperbolic rhetoric, there was a certain truth in Khomeini's metaphor. Jimmy Carter, frustrated by the failure of his economic pressures to win the release of the 50 American hostages, let it be known that he was seriously considering a naval blockade. Before it comes to that, however, he is formally asking the United Nations Security Council this week to impose some form of economic sanctions on Iran—a step that has been taken only once before, against Rhodesia in 1966. Noting that Tehran has repeatedly ignored U.N. pleas for the hostages' release, Carter declared on nationwide TV: "Iran stands in arrogant defiance of the world community." At stake, said the President, are the "foundations of civilized diplomacy [and] the integrity of international law."

Carter did not disclose just what sanctions the U.S. would request. But aides said they will probably include a partial trade embargo, exempting Iranian im-

ports of food and pharmaceuticals and exports of oil. Carter had no advance word from Moscow, aides said, whether the Soviets would go along with sanctions or block them with a veto.

Thus, in the seventh week of the cruel stalemate over the hostages, tensions mounted again—in Iran, the U.S. and also in Panama where the deposed Shah Mohammed Reza Pahlavi took up residence on the Pacific resort island of Contadora. In Panama City, several hundred leftists marched through the streets, spray-painting FUERA EL SHAH (Shah get out) on trees and walls and hurling stones at the U.S. embassy. A squad of 30 helmeted officers mounted on motorcycles charged a ragtag band of 100 marchers, led by part-time Radio Commentator Miguel Bernal. The police and National Guard beat the demonstrators to the ground with 18-in.-long red-and-black rubber truncheons and hauled them off to jail.

In the midst of the uproar, while the Shah calmly set up housekeeping at his new haven, U.S. officials in Washington were trying to determine how his abrupt departure from the U.S. would affect the plight of the hostages. An answer soon came from Tehran, and then another and another. First, in their 74th communiqué of the crisis, the militants holding the U.S. embassy bluntly declared that "to reveal the treacherous plots of the criminal United States and for its punishment, the hostage spies will be tried." The same hard line was reflected in a banner headline by the newspaper *Islamic Republic*, which

usually serves as the organ for Khomeini's Islamic Republic Party: THE TRIAL OF THE HOSTAGES IS DEFINITE.

Within hours, however, this was denied by Foreign Minister Sadegh Ghotbzadeh, who, since taking office four weeks ago, has apparently been searching for a way out of the impasse. He promised that "no trial will go on," though the government still intended to convene an "international grand jury" to investigate the "Shah's crimes and American foreign policy here." In the meantime, he said, release of some hostages before Christmas was "possible but not certain." Added Ghotbzadeh: "We will try to do our best to defuse the crisis. I certainly don't want to have this crisis forever."

For those statements Ghotbzadeh was promptly summoned to the holy city of Qum for a refresher course on the Ayatullah's policies. Afterward, Khomeini announced that everyone was in accord. Said he of the students' renewed demand that the hostages be tried unless the Shah is sent back to Iran: "The nation agrees with this. The Foreign Minister and the government also agree with this. Why should the nation not support this?"

The Ayatullah insisted that the hostages were not protected by diplomatic immunity because the U.S. embassy was not a proper embassy. Said he: "It was a den of espionage, and they are spies. We reject all the clamor by various sections abroad that these people should be freed because they are embassy staff and mem-



Flag at the George Washington Bridge
"We are back to Square 1."

bers of a mission." Emboldened by the regime's new expressions of support, the student militants turned their fire on Ghotbzadeh. In Communiqué 75, they accused him of "talking too much." Said the militants: "The Iranian nation should be ashamed to speak more than necessary to an enemy, particularly a filthy one like America." To hasten his fall from grace, the state-run radio, which until three weeks ago was directed by Ghotbzadeh, praised the students' criticism of him and declared: "There is no room for diplomatic games in our revolution." It was clear warning that Ghotbzadeh may face the same fate as his predecessor, Abolhassan Bani-sadr, who was fired as Foreign Minister after 18 days of service because he seemed too conciliatory about the hostages. For the rest of the week, the normally loquacious Ghotbzadeh made no more public statements. Said a longtime associate: "It is the first time that Ghotbzadeh has not fought back when attacked." Added a Western diplomat in Tehran: "By all appearances, we are back to Square 1."

Experts assessing the balance of forces in Tehran believed Khomeini and his reactionary mullahs were still very much in command of the divided Revolutionary Council. But the situation took a complicating turn when two gunmen assassinated one of Khomeini's close colleagues, Mohammad Mofatteh, dean of Tehran University's College of Theology, and two of Mofatteh's bodyguards. Although an anonymous caller to the state news agency claimed that the killings were committed by a previously unknown terrorist group called F.M., Khomeini and his followers characteristically blamed the assassinations on the U.S. Said the victim's son, Sadegh Mofatteh, 21, a college student: "No matter who pulled the trigger, it was the CIA that engineered the conspiracy."

Using the student militants as a sort of Muslim Red Guard, Khomeini unleashed a campaign to silence critics of his strict theocracy. The students produced documents, purportedly from embassy files, indicating that Ambassador to Sweden Abbas Amir Entezam had advised the U.S. on ways of mending relations with the revolutionary government. One document described him as "actively interested in maintaining contacts with the United States and sincerely trying to mend bilateral relations between Iran and the United States." Summoned to Tehran, supposedly for consultations, Entezam was arrested at the airport on charges of disloyalty. Meanwhile, the Ayatollah Kazem Sharietmadari, Khomeini's chief religious rival, went into seclusion. As a result, his disappointed followers, the Azerbaianjans, who had been demonstrating for two weeks in Tabriz, suspended their protest against the central government.

The regime moved at the same time to bring to heel the 300-member foreign press corps, much of which it has tried to use for propaganda purposes. Some 2,000

Khomeini supporters marched through the streets of Tehran denouncing "Zionist and imperialist-affiliated journalists" for sending "false and baseless" reports to the West. Following that, the government expelled TIME's correspondents in Iran, Bruce van Voorst, 47, and Roland Flamini, 45. Abol Ghassam Sadegh, director general for the foreign press in the Ministry of National Guidance, denounced TIME for "one-sided and biased" coverage. Said he: "Since the hostage problem, the magazine has done nothing but help arouse the hatred of the American people toward Iran." One example he cited was TIME's use on its cover of Khomeini's quote: "America is the great Satan." Sadegh admitted that

are signs that come and signs that go. Interpretation of them is subject to change almost on an hourly basis."

To demonstrate Americans' support for the hostages, Carter asked people across the country to fly U.S. flags on Tuesday, which he designated National Unity Day. The biggest was a 60-ft. by 90-ft. flag that hung on the George Washington Bridge between New York and New Jersey. Americans also mailed the hostages hundreds of thousands of Christmas cards, including one that was 10 ft. by 64 ft. and signed by 22,000 people in Panama City, Fla.

At the same time, the President dispatched a delegation of State and Defense Department officials to sound out Oman,



Police and guardsmen beating Leftist Leader Miguel Bernal in Panama City

Interpretations of the Iranian signals changed almost by the hour.

Khomeini had made the statement but charged that TIME had taken it out of context.

Sadegh announced that the magazine's bureau would be closed indefinitely. Under questioning by a reporter for a Persian-language newspaper, he also said that Van Voorst had worked in the past for the CIA. Van Voorst was in fact a research assistant for the CIA in the mid-1950s but severed all connections with the agency after he became a journalist and made no effort to keep his former CIA affiliation a secret."

In Washington, the Carter Administration seemed to despair of reconciling the conflicting messages from Tehran about the hostages. Said State Department Spokesman Hodding Carter III: "There

"TIME has strongly protested the expulsion. Said Chief of Correspondents Richard L. Duncan in a cable to Sadegh: "TIME will, of course, continue to report fully on events in Iran from the sources available to us. We regret that you have chosen to take this opportunity to assert your authority over the situation in your country. I can think of no occasion when a country has ever improved the quality of the press coverage it receives by expelling correspondents."

Somalia and Kenya on the possible use of their airfields and ports by U.S. planes and ships. Carter's aides insisted that the talks had nothing to do with the hostage crisis. But almost simultaneously, they disclosed that the President was considering taking "nonviolent" military action against Iran, possibly a naval blockade of the country's ports. This would run the risk of damaging U.S. relations with allies in Europe, who are heavily dependent on Iranian oil, and with Muslim nations that have not taken sides in the dispute. On the other hand, a failure to end the impasse soon might fuel criticism of Carter for focusing too narrowly on the hostages and not paying enough attention to the broader impact of his actions on the U.S. position elsewhere in the region (see WORLD).

Signaling a blockade in advance seemed an odd way to fight a diplomatic conflict, but the Administration hoped that in this war of words, the warning alone might influence Tehran. Said a Carter aide: "You have little to lose by making damn sure they understand."

The Presidency/Hugh Sidey

Shadow Dancing with the World

The Iranian crisis has produced the world's largest and most complex psychodrama. Every day in Washington President Carter is brought up to the minute on the Ayatullah Ruhollah Khomeini's psychological profile, a shifting and convoluted picture that is alien to White House experience. And the Ayatullah himself has already told the world that his actions are attuned to his perception of Carter's "guts."

A small elite group of men and women are wheedling, cajoling, flattering and threatening in an effort to reach one another's minds. Rarely has the international struggle for influence grown so intricate, with religious, legal, family, political, economic, humanistic and military considerations so delicately mixed. We seek to dissuade some leaders from doing certain things, to persuade others to act, a ritual as old as civilization but raised now to the speed of electronic signals and extended to every argument that can be reached by TV cameras.

Perceptions often mean more, in the short run, than the hard facts of power. Judgments of another man's resolve can figure more than aircraft carriers. Terrorist tactics can mock stockpiled nukes. From Harvard to Georgetown to the White House situation room, the scholars and strategists see emerging from the peculiarities of the Iranian situation a new and as yet unclear dimension to the world struggle. It derives partly from the fact that the U.S. has a military equal in the world. Washington can no longer fall back on an overwhelming power margin as the ultimate persuader.

Former Defense Secretary James Schlesinger hears an echo from the 18th century, when armies used to maneuver around each other. One emerging in an inferior position often surrendered quickly so that it could live to fight again. "We march television cameras instead of troops," he says. Warfare that used to seek land, wealth or subjugation now is aimed at the mood in Washington or Qum or Moscow or Riyadh.

Hunter College Professor John G. Stoessinger in his book *Crusaders & Pragmatists* focused attention earlier this year on "the human element in American foreign policy." He was back last week pointing out that "the President holds our future in his hands. His personality may be our destiny." Stoessinger could have added the names of Khomeini, Gaddafi, Khalid Schmidt, Giscard, Ohira, Brezhnev, López Portillo, Torrijos, Thatcher—all humans magnified mightily by the television lens, transposed into looming actors on a global stage.

Behind any persuasion, of course, must be the belief that a nation will take draconian steps. But the capability must be there for credibility. The White House is nearly convinced that we must apply some kind of "bloodless military pressure" to lodge that message in the minds of allies and enemies. But a central question remains: Would Carter ever send U.S. forces into real combat for the national interest?

In 1961 Charles de Gaulle looked at young John Kennedy in Paris and told him that he doubted the U.S. would launch its missiles if Europe were invaded by the Soviet Union. It infuriated Kennedy, who felt he would press the button in any showdown, and do it before Nikita Khrushchev. Lyndon Johnson, trying to get his determination across to Aleksei Kosygin at Glassboro in 1967, used the singular method of locking eyes with the Soviet leader and not blinking until Kosygin looked away.

At the State Department one of the planners says the U.S. is now "shadow dancing" with the world, changing military budgets, talking tough with allies, all as part of the plan to reach into the mind of the Ayatullah Khomeini and go even farther—to the Kremlin. The experts believe that at last a spell is being cast beyond the White House, establishing the belief that Jimmy Carter, a reluctant dragon, could indeed bring himself to order fellow Americans into battle.



Johnson eyes Kosygin in 1967 at Glassboro

Shah's Haven

It's beautiful but lonely

From the patio of the pale stucco house, a Panamanian gunboat can be seen cruising the richly blue-green waters. Guards armed with pistols and submachine guns patrol the driveway, and a German shepherd attack dog trots around the unfenced grounds. Perched on a cliff 50 yds. from the bay, the house itself is a modest dwelling, consisting of only six rooms. But for the latest occupant of the building, owned by former Panamanian Ambassador to the U.S. Gabriel Lewis Galindo, it is a much needed haven. "Such surroundings, such hospitality, are not going to be easy to match," said Shah Mohammed Reza Pahlavi last week about his new sanctuary. "I feel like home."

Home now for the deposed Shah is Contadora, an island a little more than a mile square lying 20 miles off Panama in the Pacific Ocean. Part of a necklace of 226 other islands called Las Perlas (The Pearls), Contadora earned its name—Spanish for counter—during the 16th century when it was used by the Spaniards as a place to count their catch from the surrounding pearl-rich waters. In the 1920s, a mysterious disease killed off the oyster beds, and for decades Contadora remained just another of the obscure—if beautiful—islands that speckle the Gulf of Panama. Then, in the late 1960s, the motorboat of the wealthy Lewis conked out near the island, and he came away with blueprints dancing in his eyes. For \$30,000 he bought the island, and development was under way.

Today Contadora is Panama's star resort, with a government-owned casino and 210-room hotel (average room price: \$70 a day). About 80 weekend homes owned mostly by wealthy Panamanians dot the beaches and hills. Palm, papaya and banana trees shade the island, and peacocks and deer roam freely. Temperatures climb to a torrid 95° during the day, but drop to a breezy 70° in the evening. The resort is just now entering its busy season, with the hotel booked solid through April. And, understandably, the tourists worry about the island's most famous guest. "People are concerned about their own safety," says Tour Operator Andrew Hunter. "They are asking, 'Will it be safe for us?'"

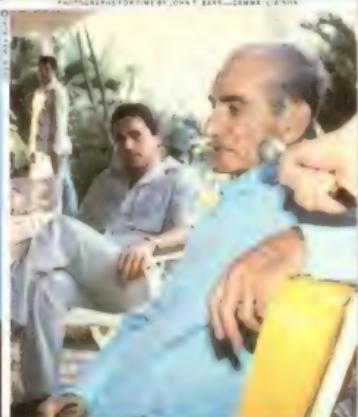
The Shah's own security staff of eight has already been beefed up by at least 50 members of Panama's *guardia*. So far, the Shah has ventured out rarely, but when he goes out for the simplest of reasons, so goes the entourage: when he walked his Great Dane on the island's main beach last week, ten security men walked with him and a red sedan filled with more guards drove behind. It is a measure of the Shah's exile that in those circumstances any place can feel like home. ■



The beach at Contadora Island, the sanctuary for the deposed Shah of Iran



The ruler and Empress Farah, just after arriving from Texas



With Panama President Aristides Toyo (left)



Tight security: boatload of armed guards, a helicopter gunship and a Panamanian patrol boat in nearby waters



Economy & Business

OPEC Fails to Make a Fix

Confusion in Caracas gives opportunities to the cartel's customers

While Venezuelan air force helicopters whirred in the sky above and 5,000 soldiers patrolled on the ground below, armed motorcades wound through the clogged streets of Caracas. It was a typical Panavision entrance for the 13 oil ministers of the Organization of Petroleum Exporting Countries. The price-fixing cartel that had tiptoed onto the stage of international power politics a decade earlier was gathering amidst pomp, pageantry and super-tight security to do what it had learned to do best: demand more money.

The members did just that. But after the most fractious meeting in OPEC's history—it was a "bazaar" in the scoffing description of Saudi Arabia's

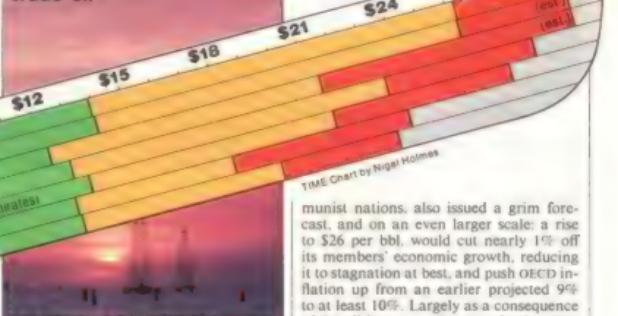
of \$23.50 that had prevailed since summer, the \$18 that Saudi Arabia, the cartel's leading producer, had posted until two weeks ago, and the \$12.90 that OPEC averaged a year ago.

The U.S. is already suffering increasing economic upset from energy inflation, and now the malaise will worsen. According to Administration calculations, the cost of crude oil imported into the U.S., which last month averaged \$25 per bbl., will rise to from \$28 to \$30. Several of

President Carter's Council of Economic Advisers had its own gloom set of figures on the Caracas spin-off consumer prices will climb by 1% more than they would otherwise have during 1980, and some 250,000 more workers will lose jobs. U.S. economic output will be shaved by some \$17 billion, while \$10 billion will be added to the nation's balance of payments deficit.

The Paris-based Organization for Economic Cooperation and Development, which comprises the world's 24 leading non-Com-

ONE YEAR'S SURGE Price of representative crude oil



Source: Petroleum Intelligence Weekly

Oil Minister Ahmed Zaki Yamani—the cartel failed to agree on any uniform price. Instead, each country will fix the cost of its crude. The cartel also failed to set limits on production, as some of its hawks sorely want to do. In fact, the divisions were sharp enough to raise questions about the future of OPEC. While its members' separate price rises will cause immediate pain to the rest of the world, they also present an opportunity for oil-importing nations to counter OPEC by cutting demand. Market forces, the law of supply and demand, will have a much bigger influence than before.

After four days of dispute, the meeting in Caracas broke up with hard-line hawks such as Iran, Libya, Nigeria and Algeria planning to charge a minimum of \$28.50 per bbl. and perhaps \$30 or even more, while other cartel members said that they intended to go no higher than \$24. All in all, the rises add up to a big increase over the OPEC official maximum

the nation's most important OPEC suppliers, including Nigeria and Libya, are also among those that lifted their prices the most.

The projected increases are expected to raise the nation's oil import bill from about \$62 billion this year to more than \$83 billion, representing a rise in fuel costs of \$80 for every American citizen. The increase, said Energy Secretary Charles Duncan, could add from 4¢ to 8¢ to the retail price of a gallon of gasoline in the coming weeks, and 3¢ to 7¢ to the cost of home heating oil, a major expense for consumers in the import-dependent Northeast. Several of the largest oil companies, including Exxon, Mobil, Chevron and Texaco, last week announced wholesale gasoline price increases of 6¢ to 10¢ per gal. This signals further sharp rises at the pump in the weeks ahead for motorists, who are already paying an average nationwide price of about \$1.04 per gal.

unist nations, also issued a grim forecast, and on an even larger scale: a rise to \$26 per bbl. would cut nearly 1% off its members' economic growth, reducing it to stagnation at best, and push OECD inflation up from an earlier projected 9% to at least 10%. Largely as a consequence of the oil increases, the organization now expects unemployment in its member nations to rise from just under 17 million to a full 20 million.

Yet OPEC's failure to agree on a single price presents the oil-importing nations with a rare chance. If they substantially reduce their consumption of crude, prices at long last could be braked. Decreasing demand for petroleum can easily stampede OPEC's members into a back-stabbing rush to hang onto their customers by offering all sorts of discounts and deals. Already there are signs that this year's 100% increase in crude oil costs is beginning to crimp cartel sales: U.S. oil imports dropped by 8.5% during November to 7.9 million bbl. daily, suggesting that the market is beginning to loosen.

The Caracas gathering itself revealed a cartel in deepening disarray over how to cope with the topsy-turvy world of petroleum. The yearlong production cutbacks in Iran have tightened supplies and stirred chaos in oil markets everywhere.

Cartel members such as Algeria, Libya and Nigeria have been ignoring official OPEC price lists. Iran has been dreaming up gimmicks to lift the cost of crude under contracts already signed at lower prices. The favorite tactic: requiring customers to buy at least some oil at up to \$45 per bbl. Customers who balked have been threatened with loss of their long-term supply contracts.

In Caracas, Saudi Arabia and Venezuela pressed for pricing restraint but were effectively countered by profit-hungry producers led by Iran and Libya. They urged an increase to at least \$30 per bbl., arguing that anything less would be silly since consuming nations have been willing to pay prices that would have seemed unthinkable a year ago.

Just before the meeting began, Iran's Ali Akbar Moinfar announced that, whatever happened, the revolutionary government was immediately bumping its price to \$28.50. In a move that topped Iran's

months in line with world inflation and the economic growth of Western nations, a proposal that won only limited support.

On the third day, the whole conference moved into Yamani's hotel suite for a marathon twelve-hour session. While the Saudi minister padded back and forth serving English tea, and his guests munched on Algerian dates, an idea was floated to lift Arabian light oil to \$26 as a new floor price, but fix a ceiling at \$30. This was rejected by Libya, Algeria and Iran.

The discussion hopelessly stalled over pricing differentials, which are the variances in costs that are supposed to reflect the relative values of crudes according to their sulfur content and distances from major markets. Algeria, Iran, Libya, Ecuador, Gabon and others rejected a proposal to reduce the differentials, which help them to charge

consumers everywhere. Economist Otto Eckstein, president of Data Resources Inc., estimates that OPEC's policies have been bloating the world's oil bill by \$40 billion to \$60 billion a year. Says he: "We need that cartel like we need a tourniquet around our necks. Any form of free competition is going to lead to a more balanced result."

Besides stricter conservation, one vital policy for the U.S. is to boost the use of coal and the production of synthetic fuels, including shale oil. The U.S. could be producing as much as 6 million bbl of "synfuels" a day by 1990, equal to about 75% of all current imports. Jimmy Carter wants the financing for his own more modest synfuels program to come from his proposed windfall profits tax; it would be levied on the increased revenues that U.S. oil companies have been earning since price controls on oil began to be phased out last June. But Congress must now wrestle with a Senate bill passed last



Flanked by aides, Sheik Ahmed Zaki Yamani of the desert kingdom attends opening session of the conference that he later called a "bazaar." While the delegates sipped tea and munched on dates, they fell into deeper division over how much to charge for their crude.

Libya's Ezzedin Ali Mabruk then declared that his government was lifting its price to \$30 per bbl. Not to be outdone, the Nigerians jumped to \$30 too.

Iraq and Libya urged that OPEC adopt the classic market-tightening tactic of cartels: production cutbacks of 5% to 10% that would keep prices high even if demand sags. But several members, including Venezuela, resisted on grounds that production levels are a matter of national sovereignty. Among those opposing the cutbacks was Iraq, which has invested heavily in oil development and is now pumping some 3.7 million bbl daily, making it OPEC's second largest producer after Saudi Arabia (9.5 million bbl.).

Once a strident hard-liner, Iraq tried to be a middleman in the power struggle between extremists and self-professed moderates. Its oil minister, Tayeh Abdul-Karim, suggested that a relatively modest floor price be established, but that it increase automatically every three

highest prices. Iraq voted to follow that majority. The discussion became so confusing that the Indonesian delegate had to ask what the question was when his turn came to vote.

Midway through the fourth day, the ministers called it quits. An exhausted Yamani pledged to hold Saudi prices firm at \$24 per bbl., but he was well aware that the survival of the cartel was now in question. Said he, trying to put the best face on his defeat: "There will definitely be a [global] recession. We will notice a sharp drop in the spot market. Then there will be some sort of unification of price levels among OPEC members."

With OPEC in disarray and vulnerable, bold action by oil-importing nations to cut their dependence on foreign petroleum cannot be easily countered by cartel members. Operating through OPEC, their monopolistic, price-propping has placed an enormous and continuing burden on oil

week that would yield \$178 billion in revenues by 1990 and a House bill that would raise some \$277 billion. A compromise of \$227 billion was agreed to last week, but details are not expected to be worked out before February.

The White House has been mulling over new initiatives that would cut imports without the need for congressional action. Proponents and opponents of various measures can agree on one key point: the U.S. has rarely had a better opportunity, or more need, to take energy action. Year after year, that action has been impeded by debate over which groups in the population, which regions of the country, should make the largest economic and environmental sacrifices. After Caracas, it was clear that unless the U.S. accepts some compromises that will cut its consumption of precious petroleum, the OPEC cartel will simply regroup and start pushing up prices in unison once again. ■

Now a Middling-Size Downturn

It should bring relief from U.S. price rises, but not enough to cheer

Is it a "sloom," an oddball mix of slump and boom? Is it an "excession," an expansionary recession? Is it merely a forward retreat? Whatever the U.S. economy is going through is as much a matter of semantics as statistics. But the confusing numbers will quickly clear up. Even if the economy is not now in a recession, the latest oil price rises by the OPEC cartel further ensure that a downturn will soon begin.

That is the view of almost all the

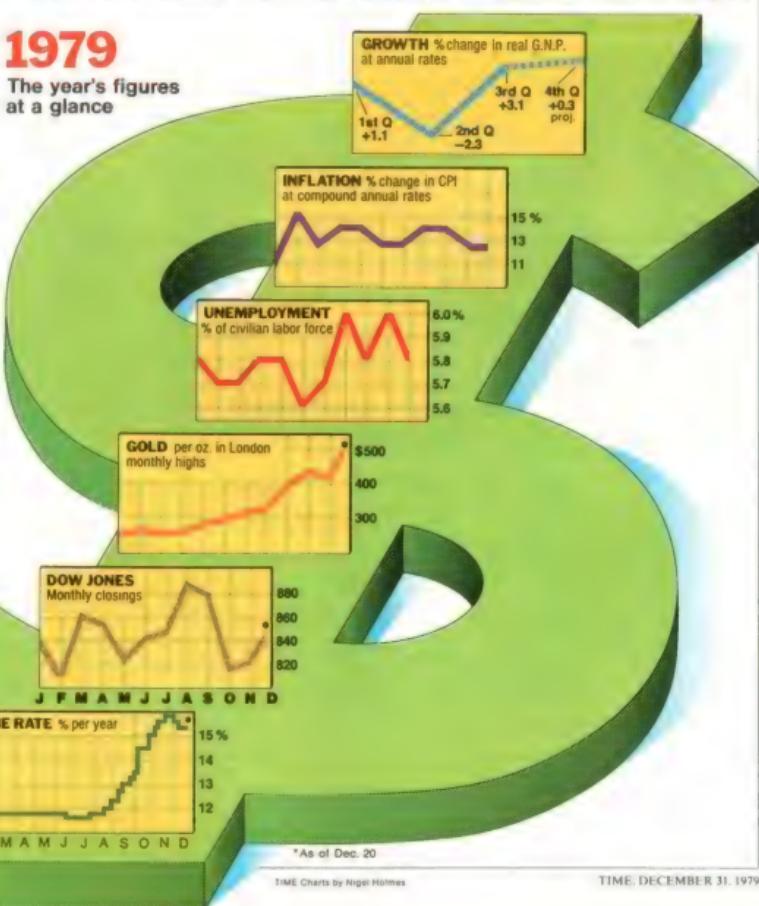
experts, including the ten members of TIME's Board of Economists. Their unanimous opinion is that 1980 will be a year of middling-size recession. It will bring lower inflation, easier interest rates and higher unemployment, but not so much as to create either tremendous pain or fast, fast relief.

The current indicators are as perplexing and contradictory as a set of cooked books. Consider the liabilities: America's factories are producing less than they did

last March; auto sales are moving like an Ypsilanti car without antifreeze; and the construction of new houses, the traditional harbinger of economic swings, is down from a rate of 2.1 million a year ago to 1.5 million now. But count the assets: a record 97.6 million Americans are at work in civilian jobs, and their personal income and spending rose rather smartly last month, although many of the gains were the puffy results of inflation. People seem pessimistic about the economy, yet

1979

The year's figures
at a glance



rather confident of their own careers and futures. Many businessmen, their profits climbing and their cash registers jingling, say that if this is a recession let's have more of it.

They will get their wish soon enough. Six members of TIME's board* believe that the gross national product will decline this month and keep right on heading down. All of them agree that there will be a fall-off in the first and second quarters of 1980. A recovery, they figure, will not begin until autumn and perhaps not until early 1981.

The recession is—or will be—consequence of inflation and the necessary policies of tight money and higher interest rates that have been adopted to combat it. Last week's oil boosts will swell inflation still further and bring on more countermeasures. But in the campaign against inflation, TIME's economists neither expect nor advocate mandatory wage and price controls. To spur business capital investment, they anticipate that taxes will be cut, if not in 1980 then early in 1981. As a consequence of recession, they figure that the 1980 budget deficit will be far higher than President Carter predicted only four months ago. Highlights of the board's daylong meeting last week:

RECESSION. The slump should be sharpest early in the new year. During each of the first two quarters, real economic growth—that is, the gross national product adjusted for inflation—is expected to tumble at an annual rate of 4%. In the third quarter, according to the median forecast of the board members, there will be a 1.5% decline.

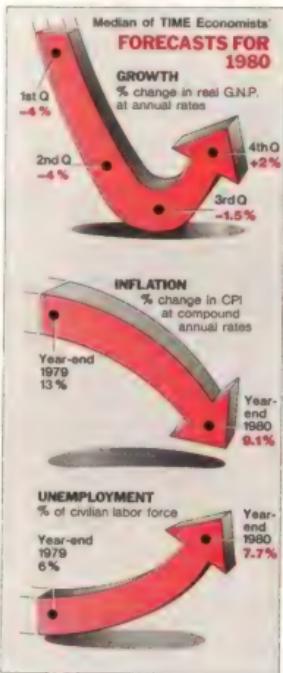
Consumers will lead the way down. They are running out of cash, credit and savings; also, they will have to pay much more for oil-related goods and services as varied as food and rents (tractors and furnaces burn fuel). So consumers will be obliged to buy less of almost everything else, notably cars, appliances and other durable goods. Squeezed by tight money, the construction rate of new homes and apartments could go as low as 1.2 million by March. As demand wanes, businessmen will further reduce production and inventories. But by late fall or early winter, their shelves and warehouses will be fairly empty, and they will have to stock up with new orders. This should send the economy up again.

How severe will the slump be? TIME's economists figure that, from this autumn's high to next year's low, the G.N.P. will decline a total of about 2.4%. That would be much less than the 5.7% plunge in 1974-75.

PRICES. Inflation will abate, but not soon enough or substantially enough to cheer

about. Recessions are usually slow to take the steam out of prices, and a tight monetary policy requires months to produce results. In fact, high interest rates will continue to add to inflation until they start to curb overall demand, and then prices are expected to taper off. Despite rising unemployment, wages and benefits stand to accelerate. They increased about 8% this year, or much less than the rate of inflation, and workers can make a strong case for more, just to catch up.

The Board of Economists expects the cost of living index, which has been rising at a 13% rate for months, will be



going up at a pace of 9% or a bit more next December. The economists admit, however, that they and almost all the other experts have grossly underestimated inflation's staying power in the past several years. Cracks Otto Eckstein, head of Data Resources, Inc.: "I have been predicting the inflation rate for maybe 20 years, and I must have got it right about three times."

JOBS. The success story of 1979 has been the remarkable rise in jobs, but opportunities will dry up next year. Though plenty of openings will remain for the skilled, untrained workers will be let go and let down. Unemployment, which

dropped slightly last month to 5.8%, is expected to rise to 7.7% by the final quarter of 1980. That will be not nearly as severe as the recent peak of 9% in May 1975. Most board members agree that unemployment will hit a high around Election Day in November, which will hurt Jimmy Carter, and that the jobless rate again will start declining as the economy picks up at year's end. However, one member, Consultant David Grove, who has long been pessimistic about the job situation, predicts that the worst will come in the second half of 1981, when he sees unemployment at 9%.

INTEREST RATES. They are probably past their peak now, but don't bet on it. Rates are so high that Art Buchwald jokes that Chase Manhattan is charging more than the Mafia.* As the recession dampens credit demand, prime rates are expected to come down to about 9½% by next year's end. In 1981, predicts Beryl Sprinkel, a money expert who is executive vice president of Chicago's Harris Trust & Savings Bank, rates could fall still further. But if the dollar's value declines by much in world markets, the Federal Reserve may be forced to tighten credit still more in order to attract foreign deposits and thus prop up the dollar.

THE DOLLAR. As the budget rises and the U.S. trade deficit increases because of higher oil import costs, the dollar probably will decline a bit more against the West German mark and other strong currencies. The freezing of Iran's assets may move other OPEC governments to sell some of their dollar holdings to escape any chance that they also might be frozen. These switches would weaken the greenback. Says Consultant Robert Nathan, a member of TIME's board: "It is entirely possible that the dollar picture will become more critical in the next four to five months." Still, the board does not believe that the dollar's position as the key international currency will be seriously challenged. There are not nearly enough German marks, Swiss francs and other currencies in circulation to replace it.

Even so, governments as well as individuals are transferring more and more of their wealth out of paper currencies and into gold and other precious metals. For years, the rise of gold prices has paralleled the advance of oil prices. In the past twelve months, OPEC oil has gone up about 100% and gold has jumped 120%. OPEC governments, as well as the new millionaires and the widening middle class in the oil-producing countries, are eager to put their money in immutable, unfreezeable bullion. Gold, which sold for \$266 per troy ounce last May, approached \$500 last week. Coins and bars surged largely because of high investment demand stemming from fears over Iran, OPEC's latest

*Not quite. New York City loan sharks charge at least 5% on small loans—per week. The rate on a yearlong loan totals 260% simple interest.

Economy & Business

price gouging, and some petrodollar zillionaires' purchases by the ton.*

U.S. Government officials tirelessly assert that gold fever will have no debilitating consequences for the world monetary system or the dollar. That argument ignores the point that gold is a most unproductive investment. Much of the money that people put into gold is not directly reinvested and ultimately goes to the main producers, South Africa and the Soviet Union. If the money were deposited in banks or spent for stocks and bonds, it would be put to use for loans and investments that finance new enterprises, corporate expansions, jobs and wealth.

Gold can and does fall quickly on good news, but several forces tend to hold it up. The Soviet Union is rumored to be keeping supplies tight. More money is pouring into the OPEC nations, and pouring right out into gold. Europe's central banks have reason to use their financial muscle to support the gold price. When bullion rises, the gold holdings of those banks become more valuable, and their governments have greater borrowing power. By borrowing against their gold, governments can put off such painful anti-inflationary steps as raising taxes. Among the countries that have borrowed against their bullion reserves for this purpose are Italy and Portugal. While such moves set back the global battle against inflation, the rise in gold has one benefit for the U.S. The swelling value of the nation's gold reserves in Fort Knox—in the past year it has risen from \$56.9 billion to \$114.2 billion—helps support the dollar. That was one reason why the dollar stood up fairly well in trading last week.

Of course, so much of the fate of gold, the dollar and the whole economy depends on energy prices. Economic Consultant Alan Greenspan was encouraged that price rises have caused gasoline demand to fall more than had been generally expected. Gas consumption has dropped about 4.7% this year, indicating that any moves to put a fat federal tax on gas would lead to further beneficial declines. But additional increases by OPEC, noted David Grove, would not help at all because they would inspire cartel members to produce less; they could get the same amount of money, or more, with lower production.

Neither a high gasoline tax nor rationing found enthusiastic support on the board. When asked to choose between the two, members split. Economist Arthur Okun, of the Brookings Institution, argued that if President Carter called for a high gasoline tax, his anti-inflation struggle would lose credibility. Asked Okun: "How could the Government convince labor that it has a serious policy of price restraint?" Most of the economists believe that rationing would be a bureaucratic nightmare and unfair to many people. But

*At last week's prices, a metric ton of gold was worth about \$15 million.



Economist Walter Heller, of the University of Minnesota, reluctantly favored it over a tax. Said he: "Rationing is a can of worms, but it is better than a can of snakes. It would cause no price increase; it would be a flexible instrument to cut demand, and it would be a dramatic way to show the world that the U.S. is no longer a nation of gasaholics."

A most discouraging aspect of rising oil prices, said Okun, is that the recession will only temporarily and modestly constrain inflation. At very best, the rate of price increases will come down to 8%. After the 1974-75 recession, inflation was 5%, which at that time was considered "intolerable, horrible and unacceptable." Indexing, which automatically raises wages and pensions along with the price index, is not a cure but a disease that institutionalizes inflation, added Okun. He estimates that "if all payrolls were indexed instead of the roughly 15% that are now, the consumer price index would have risen more than 20%, not 13%." Inflation is only one consequence of increasing energy costs, said Economist Murray Weidenbaum, a visiting scholar at the American Enterprise Institute. He believes that U.S. industry's reasonably successful drive to restrict energy consumption may be hurting productivity because companies are reducing the use of energy-guzzling machines.

Although President Carter will face tremendous political pressure during election year to curb prices, board members felt that he would not try to impose mandatory wage and price controls, and that any attempt to do so would be disastrous. With the exception of Beryl Sprinkel, who figured that there is almost a 50% chance that the President will go for controls, most board members gave that prospect only a 20% to 40% chance. Carter first would need congressional authority and, as the debate raged on Capitol Hill, businessmen would rush to raise prices to get



in under the wire. Further, board members argued, controls would not affect three major sources of price increases: OPEC, Federal Reserve Chairman Paul Volcker, who does so much to set interest rates; and God, who creates the weather that determines the size of harvests.

Many of TIME's economists detect that the Administration is cutting big and small federal programs extremely sharply to hold down the budget deficit and take some heat away from rising prices. Still, Carter's aides are probably underestimating the size of the deficit. A recession would pull down tax receipts and increase federal spending on unemployment compensation, food stamps and other social programs. While the White House officially maintains that the 1980 deficit will be about \$30 billion, some of TIME's economists expect it to approach \$50 billion. The problem will continue into fiscal 1981, which begins next October. Says Jo-

seph Pechman of the Brookings Institution: "It is a very dismal budget outlook, and there is going to be a real fight. I don't think Carter can get spending much below \$610 billion and, even at that, he has got to be tight on everything."

The deficit may well be swelled by a tax cut, if not in 1980 then in 1981. Congress has many ideas for reducing Social Security taxes; on Jan. 1, they will rise from \$1,404 to \$1,588 a year for anybody earning \$25,900 or more. The Board of Economists expects that, in all, taxes will be cut by about \$30 billion, including a reduction of some \$10 billion for business, probably in the form of liberalized depreciation. Though such a move would increase the deficit at first, it would soon after pay dividends. By helping to sharpen the nation's efficiency, it would combat many of the problems that the U.S. economy encountered in a year of troubled change: 1979.

Climaxing a decade of disillusionment, the year 1979 tested Americans' capacity to absorb economic shock. Con-

sumers' prices doubled during the sputtering '70s, but it was in the decade's final year that the previously unthinkable became commonplace reality. The year that brought 13% inflation, 14% mortgage rates and 15% prime rates also saw \$225-a-day hospital rooms, \$500 off-the-rack men's suits, the 25¢ Hershey bar and the \$3.50 martini. Millions of Americans had to postpone their dreams for a home of their own; the average price of a few-frills new house surged from \$59,000 to \$65,000. Crude oil spurted to \$45 per bbl. on the spot market, and gasoline sold for up to \$1.28 per gal. at the pump.

If everyone from drivers to drinkers was victimized, the Chicken Little pessimists, who had bet on bullion and other precious metals, were made to look prescient. Among the winners were people who had shrewdly put away dimes, quarters and half dollars minted before 1965;

at year's end an original \$1,000 in those almost pure silver coins was worth \$16,300. But anybody who had put his money in a savings bank was a sucker: a \$1,000 deposit declined in real value during the year to about \$900, after inflation and taxes on the interest receipts.

Only a few years ago, the orthodox wisdom was that the U.S. would never suffer such hyperinflation, but that if it ever did, the whole economy would be shattered and the democratic political system would be endangered. Yet in 1979 the economy showed a remarkable resilience and a resistance to deep recession. People learned to cope. They reduced their spending for gas-thirsty big cars and such little luxuries as hardcover books, records and tennis equipment. But they kept right on spending for other goods, particularly the high-quality and the durable, in part because they figured that almost everything would cost more tomorrow and they had better buy products that would last.

They spent even though real person-

al income declined. Americans fought against the shrinking of their incomes in three ways: they sent more and more spouses to work; they drew down their personal savings; and they plunged more deeply into debt. But these defenses are rapidly being exhausted. Fully 60% of all U.S. women aged 20 to 64 hold paying jobs; not many more housewives are in a position to go to work. Savings have declined since the early 1970s from 7.4% of income to a modern low of 4.3%. Consumer installment credit has surged from \$210.8 billion in 1974 to \$369.3 billion in the third quarter of 1979. In brief, the American consumer will soon be forced to reduce his spending, and this will be a mainspring of the recession.

Pople in certain fortunate industries and regions will probably avoid adversity, as they did in 1979. Those in the Southeast generally did well because the region's beneficent climate and low wage rates continued to attract business. The Southwest surged because its oil and natural gas were in heavy demand. Farmers in the Midwest grain belt and the far West prospered, largely because a hungry world increased its call for what America produces best: food. Average farm incomes increased 117% from 1970 to \$23,263 per family in 1978 and are higher now. The region that fared best of all was the intermountain West because it is a trove of oil, gas, coal, shale and almost all the increasingly precious energy resources. Construction cranes climbed like church spires in Denver, Salt Lake City and other booming communities.

While they rose, older cities that depend on basic industries declined. As sales of U.S.-made autos tumbled 16.7% in the last six months, largely because of infatuating gasoline lines and inflating gasoline prices, recession and high unemployment struck Detroit, Flint and other carmaking capitals. Also hurt were the industry's supplier cities: rubbermaking Akron, glassmaking Toledo, steelmaking Youngstown. Layoffs in the auto indus-



Economy & Business

GOLD
266.00
SILVER
8.87

May 29

try mounted to 116,000 workers (out of a total 765,400), and in steel to 45,000 (out of 466,859). Unemployment also ran higher than the national average in the metropolitan areas that live off heavier industries and old lines of commerce.

Their growth prospects evaporated largely because many industries became increasingly outmoded and continued to lose their edge in global competition. America was living off its accumulated capital stock, a consequence of its people's unwillingness or inability to save and invest. While the U.S. spent scarcely 10% of its national income on new factories, mines, tools and transportation systems, its allies and competitors the West Germans and the Japanese were investing 15% and 16.2%, respectively, of their incomes in such capital goods. One result U.S. productivity, which had risen an average 3% a year in the 1960s, declined by more than 1%. There were other reasons for this deterioration in production per hour worked. Among them: the heavy burden of Government regulations, the entry of so many untrained first-time workers into the labor force, and the decline of research and development, in part because managers have concluded that inflation makes the payoff too distant, too uncertain. Turgid productivity, which aggravated inflation and contributed to the debauch of the dollar in world markets, is as serious as any problem that the nation faces as it enters the 1980s.

In searching for solutions, Americans could no longer put their faith in those two old reliables, technology and economic theory. The failings of technology were exposed by the radioactive clouds rising from Three Mile Island, the flames spitting from the DC-10 that lost an engine over Chicago, the poisons seeping into the Love Canal. The frustrations of economic theory were revealed by the inability of the disciples of John Maynard Keynes, the British economist whose market-manipulating philosophies have dominated policymaking since the 1950s and 1960s, to deal with the stagflation realities of lagged growth, runaway prices and receding productivity in the post-industrial era.

No single intellectual rose to replace Keynes, or to refute successfully all his theories, but a number of young economists came forward with provocative new theories for the 1980s. Harvard's Martin Feldstein, Stanford's Michael Boskin, the University of Chicago's Robert Lucas, Yale's William Nordhaus, along with many others, propagated ideas that were both moderate and eclectic. They were new Jeffersonians, arguing that Government governs best when it governs least. They contended that Government should: tinker less with the economy; adopt con-

sistent, year-after-year policies of moderate money growth; reduce Government spending and restrictive regulation; and generally give more freedom to corporate managers, aspiring entrepreneurs and innovators. The new school of thinkers were called "supply-side economists." Unlike the Keynesians, who aim to induce demand and consumption, they would promote supply and production by cutting taxes and offering other incentives to foster savings and business investment.

These rather radical theories from academic gained many converts in Government. Federal Reserve Chairman Paul Volcker gave money managers a new sense of confidence not only by severely constricting the previously excessive expansion of the money supply but also by pledging to keep that growth at steady, moderate, inflation-fighting rates for years to come. His predecessor, Treasury Secretary G. William Miller, was one of

many in Washington pressing for faster tax write-offs for business capital investment in order to expand supply, enhance productivity and sharpen American efficiency. To further free up capital for investment, Senate Finance Chairman Russell Long and House Ways and Means Chairman Al Ullman were urging tax cuts for individual earners, savers and corporations.

In its first unanimous report in 20 years, the bipartisan Joint Economic Committee recommended reductions in taxes and regulations and other investment-stimulating measures. Jimmy Carter called for gradually relaxing the federal limits on the amount of interest that savings institutions can pay on deposits. Various Congressmen submitted a hopeful bill of bills that would exempt some savings interest and stock dividends from federal income taxes.

So while the year ended on a whimpering note, with portents of tougher months ahead, there were signs that public policies and private decisions were moving in directions that might lead to better times in years ahead. The rise of women in the work force, a product of their own expanded consciousness as well as declining discrimination and sheer economic need, promises to enhance substantially the nation's talent pool. The maturing of employees, as the postwar baby-boom generation grows into its late 20s and 30s, will contribute to a more experienced, more productive labor force. The decline of extremism on the part of some environmentalists and regulators on one side, and economic developers on the other, should lead to productive compromises that will stimulate jobs and wealth.

Even the ceaseless climb of OPEC's prices and the crisis in Iran may be awakening the nation to the reality of its energy peril and the need to deal with it through tough measures and some sacrifice. At year's end Congress was moving at long last toward adopting an energy policy, and President Carter was weighing means to reduce the use of gasoline, perhaps by calling for odd-even-day sales or a system by which each motorist could drive his car only six days a week. Despite the very real dangers brought on by the scarcity of oil, the nation did have enough energy, if it was willing to spend the capital and make the compromises necessary to exploit coal, shale and other secondary supplies.

Thus from White House to state house and on Main Street America, the feeling was widespread that the U.S. was at a decisive time of choice. If the nation was willing to pursue policies of capital formation, Government deregulation, energy development and conservation, then the new decade that was beginning with a sigh could well wind up with a surge.



Christmas shoppers fill a mall in Wayne, N.J.
But the buying bonanza will soon end.

GOLD
490.00
SILVER
24.30

Dec. 19

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Lights



Only 9 mg tar



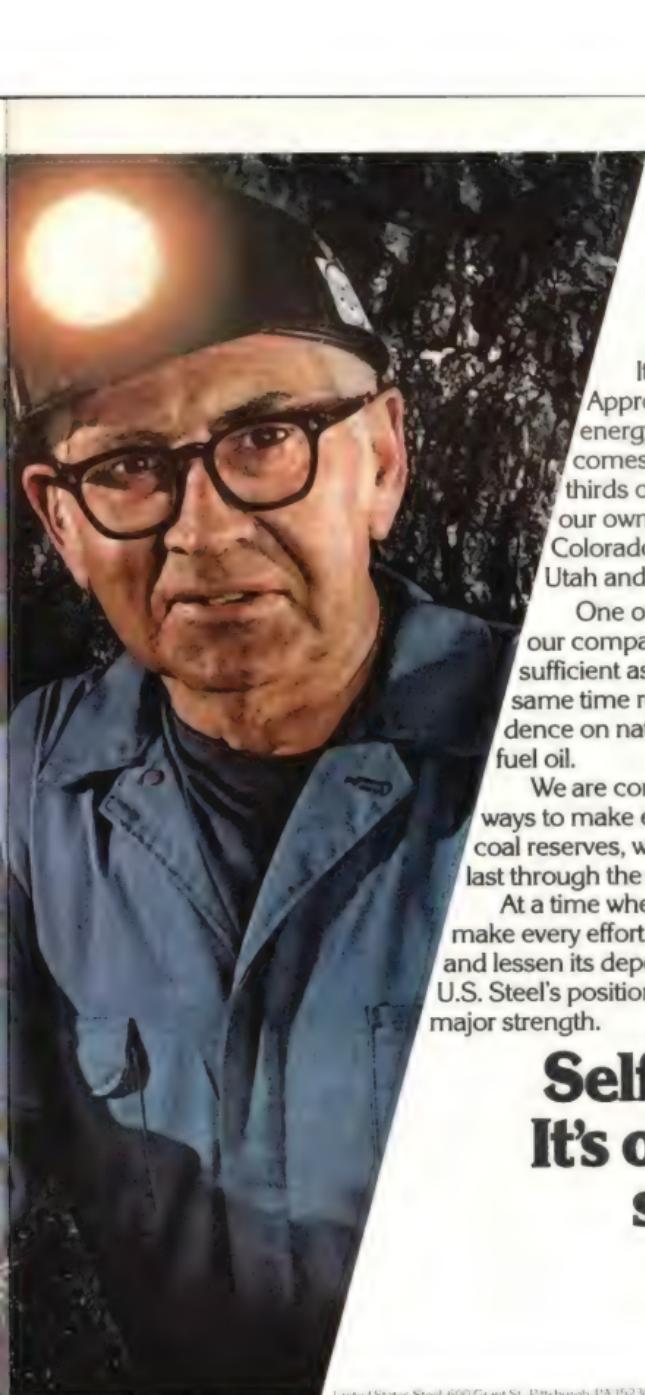
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Patriotic Front Co-Leaders Joshua Nkomo and Robert Mugabe announcing their acceptance of cease-fire terms at London's Lancaster House

World

ZIMBABWE RHODESIA

"We Are Going Home"

The guerrillas accept a cease-fire and prepare for elections

This is an important day for Rhodesia," declared a jubilant Sir Ian Gilmour, Britain's Deputy Foreign Secretary. "It means the end of the war." So it seemed. Moments earlier, Joshua Nkomo and Robert Mugabe, co-leaders of the Patriotic Front guerrilla alliance, had entered a gilded room in London's Foreign Office to add their signatures to a twelve-page protocol that had already been initiated by representatives of Britain and the now defunct Salisbury government of Prime Minister Abel Muzorewa. The document: a three-sided agreement for a complete cease-fire in Zimbabwe Rhodesia's increasingly bloody seven-year civil war.

The fruit of 15 weeks of painstaking negotiations at the stately Lancaster House in London, the accord carried with it the Front's previous acceptance of a majority-rule constitution and parliamentary elections. It thus appeared to pave the way for the peaceful creation of an independent republic of Zimbabwe by early next spring, as the British plan envisions. More immediately, it called for all combatants to lay down their arms within two weeks and for thousands of exiled guerrillas to return to Rhodesia, outlaws no longer. Declared a smiling Nkomo with some emotion, "We are going home." For all the hopeful statements, however, even some British officials conceded that they remained skeptical about the long-term prospects for real peace.

The Patriotic Front's acceptance of the cease-fire terms came at the eleventh hour. Two days earlier, in fact, the Lancaster House conference had formally ended with no comprehensive settlement.



New British Governor Soames in Salisbury
Paving the way for black home rule

In the face of a stern ultimatum from British Foreign Secretary Lord Carrington, who had conducted the talks, Nkomo and Mugabe had flatly rejected a British scheme by which the guerrillas would assemble at 15 widely dispersed camps, which they felt would be too isolated and vulnerable. Their agreement was extracted by British concession in a numbers game. It gave the Front forces a 16th camp in the Rhodesian heartland and empowered the newly arrived British Governor, Lord Soames, to designate additional concentrations, if the guerrillas report in in large numbers that they claim. The current British estimate is 20,000 men; the Front says it has some 35,000.

The so-called frontline states (Mozambique, Zambia, Angola, Tanzania and Botswana), whose support is crucial to the guerrillas, were given much of the credit for breaking the deadlock. Anxious for an end to the costly struggle, their leaders had been instrumental ever since they helped bring the Front to the conference table last September. With strong diplomatic encouragement from Whitehall and Washington, the frontline Presidents had sent a senior representative to London to tell the guerrilla leaders—particularly the recalcitrant Mugabe—that they must settle with the British. That arm twisting, and the additional assembly points, did the trick.

The settlement was a long awaited triumph for British Prime Minister Margaret Thatcher as well as for Carrington, both of whom were on an official visit in the U.S. when the news came. Clearly savoring the moment, Thatcher responded

to President Carter's congratulations on this "magnificent achievement" with thanks "for the forceful and timely support we received throughout the negotiations from the United States Government and from President Carter personally." Carrington, who was credited with brilliant negotiating tactics during the conference, was quick to note that the U.S. had also played a role in winning the final agreement, most of all by following Britain's lead last week and promptly lifting its own economic sanctions against Rhodesia.

Within days similar action had been taken by a number of countries, including Canada, Australia, West Germany, New Zealand, Switzerland, France and Mauritius. At first, the U.N. General Assembly, by an overwhelming 107-to-16 vote, passed an African-sponsored resolution deplored such unilateral lifting of sanctions. The Security Council, however, was expected to end its own international boycott against Rhodesia following the formal signing of the peace treaty.

In Salisbury, meanwhile, long isolated Rhodesians were anticipating an economic boom. British businessmen and other European entrepreneurs began arriving in search of commercial deals. Imported luxury goods—from automobiles to whisky—began appearing in showrooms and shop windows just in time for Christmas. Without the sanctions, economists expected a 15% to 20% jump in the country's foreign exchange earnings. Beamed one Salisbury trader: "Things are as they used to be."

By far the toughest task facing the British on the ground in Rhodesia was the policing of the cease-fire, which was to take full effect after 14 days. Within that period, the Salisbury security forces were to return to their 42 military bases while the guerrillas assembled at their 16 assigned camps. One possible sign of early trouble: Mugabe's stubborn insistence that it will take up to eight weeks to get word of the truce to all his fighters in the bush.

At week's end the erstwhile adversaries sat down with Carrington to sign the final peace settlement in a brief ceremony at Lancaster House. General Josiah Tongogara, Mugabe's military commander, returned to Africa announcing that he was ready to "tell our boys in the bush to stop shooting." At the same time, the first contingents of the 1,200-man Commonwealth monitoring force—drawn from Britain, Australia, New Zealand, Kenya and Fiji—started arriving to take up their truce-supervision posts. Since this lightly armed unit has no real enforcement powers, however, it was obvious to all that the British Governor would have to rely mainly on own arbitration and persuasion to deal with cease-fire breaches.

Soames had cautiously saved his first major act for the day of the signing: a general amnesty for all "rebels," white and black. A bluff-mannered Tory with a

taste for fine wines and fast horses, he seemed mainly intent on getting his job done on time and then pulling out, leaving the rival factions behind to settle their own differences after the election and independence. Some observers were skeptical that anything more could be asked of the Governor, in fact, and were pessimistic about the chances of a durable truce. Said one British official soberly last week: "I don't think anyone is going to play it fair. Intimidation seems to be a way of life here."

In London, however, Whitehall officials expressed cautious hope that the cease-fire will prevail and that the factions will feel constrained to abide by the results of the March elections. Whitehall reasons that the Rhodesians' supporters—the front-line Africans in the case of the guerrillas and the South Africans in the case of the Rhodesian security forces—want the peace settlement to work because they are determined to avoid a resumption of the long-running civil war. ■

The Boys in the Bush

The black nationalist rebels of Zimbabwe Rhodesia have come a long way to a cease-fire. In the early days of the war, when they crossed the Zambezi River in dugout canoes carrying rusting shotguns and hunting rifles to make hit-and-run attacks on isolated farms, a white Rhodesian officer dismissed them as "a bunch of bloody garden boys." Such sarcastic putdowns no longer apply. The Soviet- and Chinese-trained "freedom fighters" of the Patriotic Front have been forged into an efficient guerrilla force. Despite their edge in air power, some of Zimbabwe Rhodesia's white-led army units have been routed by rebel forces that are now equipped with Soviet Kalashnikov automatic rifles, portable antiaircraft missiles and other sophisticated arms. Employing classic hide-and-seek guerrilla tactics, the "boys," as they are affectionately called by the villagers who harbor them, have achieved control over much of the countryside. On occasion they have even left the bush to strike in Salisbury: a year ago, a raiding party blew up a gasoline depot, destroying a month's supply of fuel.

The rank and file of the Patriotic Front have been recruited mainly from rural Tribal Trust Lands, where 40% of the country's 7 million blacks, employed mostly as day laborers, are concentrated. Zimbabwe Rhodesia's biggest black groups are the Shona, who form some 80% of the population, and Ndebele, who make up about 15% (whites constitute 3%). Like its leader Robert Mugabe, the bulk of the Mozambique-based Zimbabwe African National Liberation Army (ZANLA) are Shona. The Zambia-based Zimbabwe People's Revolutionary Army (ZIPRA) is dominated by Ndebele, like Leader Joshua Nkomo.

Tribal enmity, along with ideological disputes between the left-leaning Mugabe and the more pragmatic Nkomo, could pose a serious threat to the cease-fire plan. The two groups considered joining their forces under a single command and mounting a unified campaign in the forthcoming elections. Nevertheless, many guerrillas have been killed in intramural gun fights between the rival factions. Says James Chikerema, a former guerrilla leader: "The security forces sit on tops of hills and wait for ZIPRA and ZANLA to knock each other to pieces. Then they move in and kill." In November ZIPRA and ZANLA units clashed 100 miles north of the capital as both sides attempted to gain control of a contested slab of territory before the cease-fire takes effect. To minimize such battles, Mugabe's troops will probably assemble at ten of the so-called guerrilla collection points, while Nkomo's men gather at the other six camps. But even if word of this complex plan can be relayed to the isolated bands of fighters spread throughout the countryside, the problem may not be over. Guerrilla commanders concede that many of their troops are young, in their teens or early 20s, undisciplined and unwilling to end the war before the government's forces have been decisively defeated. Exhorting a ZANLA manifesto found near the bodies of several whites killed in a town near the Mozambique border: "Down with the cease-fire. Forward with the war." More important, many of the guerrillas are unlikely to passively accept any result other than a victory by the Patriotic Front in the elections. Rather than turning in their guns, a number of them are known to be caching them in caves or underground. Warns a white Rhodesian officer: "Whoever loses the election will say to them, start digging."

* The two groups have been hostile since the Ndebele, an offshoot of the Zulu, conquered the Shona during the 19th century.



Well-armed ZANLA fighter

World

MIDDLE EAST

Proceed with Caution

The U.S. is urged to tread lightly in a crucial region

The Islamic revolution in Iran has sent out shock waves of confusion and distress throughout the monarchies of the Middle East. A state of jitters prevails in the Arabian peninsula, whose petroleum exports are vital to the security of the U.S. and its allies. The rulers of Saudi Arabia, the largest oil exporter of all, are reported to be frightened; a new set of security regulations is in force throughout the country. The governments of the tiny states of the Persian Gulf are also worried, about both their Shi'ite and Palestinian populations and about the wave of Islamic fundamentalism and unrest that seems to be spreading through the Middle East. They are trying desperately to bend with the wind. Bahrain, long known for its easygoing Western ways—it is one of the few countries in the area where liquor is sold—has, in deference to Muslim tradition, just opened an interest-free Islamic bank and banned male hairdressers from attending to women. The Amir of Kuwait has promised that his country's national assembly, "suspended" since 1976, will be re-opened next year.

Throughout the region, there is a virtually unanimous belief that the current semblance of stability would be shattered by U.S. military intervention in Iran, regardless of the provocation. Says a political science professor in Kuwait: "It would lead to a direct explosion." The moral, in the words of a respected Beirut journalist: "If the U.S. ever considers military intervention, it had first better make sure

that Arab governments are in control of their countries."

Nowhere is concern over the future more manifest than in Saudi Arabia, where a feudal monarchy rules a sparsely settled (estimated pop. between 4 million and 7 million) land containing 23.2% of the world's proven oil reserves. The ruling House of Saud was badly shaken by last month's attack on the Sacred Mosque in Mecca, the holiest shrine in Islam. It was originally reported that the attacking guerrillas were religious fundamentalists who were seeking the recognition of their leader as the Muslim *Mahdi* or Messiah. Saudi officials later confirmed that although some of the intruders were indeed religious zealots, the majority were politically motivated guerrillas who were trying to destabilize the country. Some Saudis believe that the armed men may have been trained in South Yemen, the Marxist state at the southern tip of the Arabian peninsula. Their real leader, according to Saudi officials, was an Islamic nationalist named Juhaman Otabi, who had once worked for the government but had once worked for the government but had been dismissed and flogged for drinking liquor.

The operation in Mecca had been intricately planned. For weeks before, the guerrillas had been squirreling away small weapons and food supplies inside the mosque. After the attack began, they concealed their dead and wounded in order to make the government think that

the rebel casualties were light. When the two-week siege was finally over, the Saudi national guardsmen discovered the bodies of 300 guerrillas. Most of their faces had been deliberately burned by their surviving comrades to conceal the victims' identities. Some 160 of the intruders were captured, and will be tried on charges of defacing a holy place. The likely sentence: death by beheading. Saudi officials are now convinced that the whole operation was aimed at King Khalid and the royal family. The King had planned to worship at the mosque that day but changed his mind because of illness. Some eyewitnesses reported that the guerrillas closely examined the faces of hundreds of worshippers, apparently in the hope that the King, in disguise, might be among them.

The attack has deeply alarmed Saudi leaders. Questions are being asked about whether Crown Prince Fahd, the heir apparent to King Khalid, commands enough authority, especially among the armed forces, to withstand a broader-based insurrection. One U.S. expert believes that the regime should embark on an emergency anticorruption campaign, but he is not particularly hopeful. His conclusion: "Some say the royal family can survive. Some say it is too late."

One of the worst fears of the Saudi leaders and their neighbors is that the Soviet Union will become actively involved on the side of the monarchies' enemies. So far the Soviets have treated the unrest in the region with relative restraint. But to the east, in Afghanistan, the Soviet role has been aggressive and heavy-handed. Within the past three weeks, according to U.S. intelligence estimates, the Soviets may have tripled their military assistance to the Marxist regime of Hafizullah Amin.



Captured guerrillas at end of two-week siege of the Sacred Mosque



Saudi Arabia's King Khalid attending recent army maneuvers

If the U.S. ever considers military intervention, it had first better make sure that Arab governments are in control of their countries.

which is fighting to hold its own against a country-wide rebellion by Muslim tribesmen. The Soviets are now believed to have 5,000 to 10,000 military advisers in Afghanistan, many of whom are actually directing some field operations.

The U.S. has been quietly telling the Soviets for months that their intervention in Afghanistan is contrary to the spirit of détente and could jeopardize the passage of SALT II. Why are the Soviets ignoring these warnings? To some extent, they are trying to reinforce a faltering regime. But Western experts believe that the buildup may also be Moscow's deliberate reaction to the increase of American naval and air power in the region around Iran: an oblique Soviet warning of the dangers of superpower confrontation.

Given such a staggering array of imponderables, what policies should the U.S. follow in Iran, Saudi Arabia and the surrounding area? In an interview with TIME Editor in Chief Henry Grunwald, the director of London's International Institute for Strategic Studies (Iiss), Christoph Bertram, argues that once the American hostages have been released, the U.S. should ignore Iran, isolate it, and try to curtail its influence on the Gulf states. Many of America's allies agree. British diplomats, for instance, are convinced that the Iranian Ayatollah Khomeini's Islamic Republic in its present form will not outlive the aging leader. It is therefore vital, say the British, that the U.S. tread as lightly as possible in Iran and do nothing that would prejudice the emergence of a more moderate Islamic regime.

As for Saudi Arabia, the iiss's Bertram believes that Washington would do well to try to dilute a historic one-to-one relationship with Riyadh by bringing some of its closest allies into the partnership. Otherwise, says Bertram, "the danger is that the U.S. will be drawn into the country's potential internal conflicts, and that governments in the Gulf, in order to reduce internal tensions of their own, would try to dissociate themselves from the U.S." In his view, the establishment of permanent U.S. bases in the Gulf would be unwise because it would place additional internal political strain on the area's vulnerable regimes.

In surveying the problems facing the U.S. and its allies, most strategists agree on one point: nothing could do more toward building a new relationship between the West and the Islamic world than a successful conclusion of the Egyptian-Israeli "autonomy" talks. It would be an ideal first step toward defusing the Iranian crisis and reducing the pressure on America's traditional allies. Until significant progress is made on that score, they believe, there is likely to be neither much sympathy for the U.S. nor much real stability in the region. As a senior British diplomat observed last week, "A settlement of the Palestinian problem would do more for the West in the Middle East than several divisions of U.S. Marines."



At a White House dinner, President and Mrs. Carter toast Prime Minister Thatcher

BRITAIN

The Lady Is a Champ

Maggie Thatcher is a wow in Washington and New York

When the two first met in 1977, Jim Carter and Margaret Thatcher did not particularly take to each other. But much has happened to both since that first frosty encounter. Last week, as Britain's Prime Minister made her first official visit to the U.S., the two stood side by side on the White House lawn beaming with a new-found, very special relationship. On Carter's part, it was first of all sheer gratitude for the most forthright, unequivocal support he has received from any ally; and in the gloom of a dark December her message rang especially sweet. "At times like this, you are entitled to look to your friends," she roundly declared. "We are your friends. We do support you; we shall support you. Let there be no doubt about that."

The words were backed by the kind of action that is rapidly becoming the hallmark of Britain's fighting lady. During a two-hour morning session with Carter in the Oval Office, Thatcher pledged to support the U.S. if Washington asked the United Nations Security Council to impose economic sanctions against Iran. "You would expect nothing less and you will receive nothing less but our full support," the Prime Minister told reporters. Carter and his aides were visibly delighted. At one point Carter said, "I want the American people to get to know you as I have come to know and admire you."

The President has learned to be deeply grateful for the Prime Minister's strength and support. In the Iranian crisis, Thatcher has been more encouraging "from the first moment," Carter noted, than other allies. Defense. Thatcher, dubbed the "Iron Lady" by the Kremlin, led the support of Washington's proposal to modernize NATO's arsenal with medium-range nuclear weapons, readily accepting them on British soil.

The two-day trip was part of a period-

ic exchange of visits between leaders of the two nations, and the agenda concentrated on the issues that currently matter most to both countries: Iran, Zimbabwe Rhodesia, Northern Ireland, defense, energy and the threat of recession. Back home Thatcher's own popularity has suffered as inflation has climbed to 17%, with the prospect of worse to come in 1980. Nonetheless, she seems to relish the challenge, openly acknowledging that her rigorously conservative policies will not begin to take effect until 1981.

Throughout her visit, Thatcher repeatedly praised Carter and the American people for their restraint. Europe, after all, is concerned that U.S. patience may crack and lead to retaliatory action that would create even greater problems. "Our admiration," she said, "goes to the American people for their patience and wisdom and self-control," which of course was a plea for continued coolness.

Before winding up her whirlwind tour at a black-tie dinner given by Banker David Rockefeller, Thatcher gave an address before 2,000 luncheon guests at the Foreign Policy Association in Manhattan. Speaking with a sense of theater that many a politician might envy, she warned of Soviet expansionism, reaffirmed the values of old-fashioned liberal democracy and insisted that "resolve" was perhaps the most important quality needed in a leader as the world heads into the 1980s, which she dubbed the "dangerous decade." Said she: "Let us go down in history as the generation which not only understood what needed to be done but had the strength, the self-discipline and the resolve to see it through." The crowd interrupted a number of times with applause and ended with a standing ovation. By any standard, Maggie Thatcher's debut in the U.S. was a socko performance.

World

SOUTH KOREA

Acting Like Big Brother

A new President is sworn in—as the generals keep watch

"I am happy to have found good cause for my death and do not want to beg for my life. Give me the capital punishment but show mercy to the others." For Kim Jae Kyu, former Korean Central Intelligence Agency chief accused of murdering President Park Chung Hee last Oct. 26, the words were a defiant attempt to assume total responsibility for the assassination, for which six accomplices were also charged. His plea was in vain. Last week Kim, standing haggard and unshaven before a military tribunal in Seoul, was condemned to death with six others for his abortive coup attempt, which was described by one of the defendants as having been "like a rebellion in a medieval court."

The swift completion of the trial reflected the sense of urgency on the part of Park's elected successor, Choi Kyu Hah, to try to keep the country on the path to normality after the trauma of the assassination. Yet Choi himself, who was formally inaugurated as President last week, the day after the Kim verdict, had far more on his mind than retribution for Park's slaying. For one thing, Seoul was still swirling with apprehensions in the wake of the stunning, couple-like arrest of the former martial law commander, General Chung Seung Hwa, and a dozen other senior officers by a group of aggressive younger generals. For another, U.S. diplomats and military leaders in the capital who had previously stood aloof were now actively urging that the South Korean military keep clear of politics, and that Choi's civilian post-Park regime try to broaden its popular base. Reason: a major fear in Washington that if internecine mistrust in South Korea's top military leadership gets much worse, it might render the country dangerously open to invasion by the Communist regime in North Korea.

On the surface, Choi continued to receive the support of the officialdom, including the military, and high marks from most observers. His Cabinet, sworn in before his own inauguration, seemed to be both neutral and competent. Selected as Prime Minister was Shin Hyon Hwack, a technocrat and former economic planning chief. The new Defense Minister was General Choo Young Bok, known as "Tiger Choo" to American officers in Seoul, and, curiously, the first South Korean Defense Minister with a knowledge of English good enough for direct communication with U.S. commanders. According to President Choi's earlier promise, the newly installed Cab-

inet's most important immediate task was supposed to be the preparation of a political breakthrough: the systematic revision of Park's sternly authoritarian 1972 "Yushin" constitution.

Now, however, there were signs that the younger generals who had staged their minicoup against General Chung, a reputed moderate, might be in no hurry for reform, but more inclined to a continuation of Park's own hard-line approach. Major General Chun Du Hwan, the army security commander who had led the arrests and appeared to have become the dominant military figure, was maintaining a low public profile and public silence. The new martial law commander, General Lee Hee Sung, however, last week issued a statement that seemed to convey



Army Security Chief Chun Du Hwan

a strong sense of military Big Brother. "Trust the military," the general implored, and get on with everyday duties. General Lee did affirm that Korea's armed forces "should not meddle in politics," but at the same time he attacked what he called the politicians' and dissidents' "terminologies and method of agitation" and their "toadism" toward "foreign forces." Observers translated this as criticism of those opposition politicians who insist on being outspoken, especially with the foreign press and diplomats.

U.S. officials saw such warnings as emblematic of a new, almost resentful nationalism among generals like Chun and Lee. It was pointed out that the younger military men felt a less instinctive warmth toward the U.S. than their elders.

In Washington, in fact, there was concern that a Korean battalion under joint U.S.-Korean command had been deployed by Chun Du Hwan for his arrest of the older generals on Dec. 12. The unit had been moved into Seoul from its position in the vulnerable "invasion corridor" south of the demilitarized zone without prior consultation with its overall commander, U.S. General John Wickham Jr.

Among many politicians and students on the left of the spectrum, there was a continuing undertow of anger against the former Park regime. Protest leaflets began to circulate in Seoul; they called on South Koreans to "rise up" against the kind of authoritarian system of rule that was modeled after Park. Said the diatribe: "The dictator is finally gone, but the Yushin system [Park's constitution] is still cheating farmers, small businessmen and other citizens." U.S. officials noted that domestic tensions like these might tend to spread if there was a decline in South Korea's economic performance, already handicapped by 24% inflation and a relatively modest 7% growth during 1979, compared with an average of 12% in recent years. Said one businessman in Seoul: "I doubt if you can get a loan for South Korea today at the same rate you could a month ago."

A potentially more serious worry in Washington was that South Korea's internal military disunity might lead to a wider, regional crisis, particularly with U.S. attention diverted by events in Iran. Officials observed that the last major crisis in Korea, the capture of the U.S.S. *Pueblo* in 1968, had occurred largely because the North Koreans saw the U.S. as being seriously distracted by the Viet Nam War. Though there is no sign yet of any direct North Korean exploitation of the South's internal distractions, Pentagon planners were on the alert for it. Said one dryly: "It would be surprising if the North didn't think about it."



South Korean fortification along the demilitarized zone
The country might be rendered dangerously open to invasion.

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A sailor in a red jacket and dark cap stands on the deck of a boat, looking towards the camera. He is holding onto a thick black rope. In the background, a large, craggy rock formation or lighthouse is visible in the ocean under a blue sky with white clouds. The overall scene suggests a nautical setting.

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World

TAIWAN

Playing a New Game

A year after derecognition, some links are stronger than ever

The fading ochre-colored mansion sits like a ghost in the midst of Taipei's swirling traffic. The heavy wooden doors, surmounted by iron spikes, are sealed shut. Shards of broken glass protrude from the high, surrounding wall. The pole inside the compound that flew the U.S. flag for 63 years (first when the island was under Japanese domination, later under the Republic of China), with only wartime interruptions, does so no longer. Now a set of rough, unpainted boards nailed across the brass plaque on the gate obscures its legend: EMBASSY OF THE UNITED STATES OF AMERICA.

In the year since the U.S. extended full diplomatic recognition to Peking and consequently "derecognized" the Republic of China, the abandoned embassy in Taipei has come to symbolize the passing of the American era. Yet Taiwan has demonstrated a robust self-reliance during the past year, and its relationship with Washington has changed far more in form than in substance. Though the formal U.S. presence is gone and its last legal vestige, the Mutual Defense Treaty, is due to expire next week, other links are thicker than ever. "Both sides," says an American resident in Taiwan, "are playing the new game to the hilt."

One court for the new game is a squat, U-shaped building that formerly housed the U.S. Military Assistance Advisory Group and is now called the American Institute in Taiwan. The A.I.T., manned by temporarily "retired" Foreign Service officers, hands out as many visas to the U.S. for Republic of China passport holders as did the old U.S. embassy. More important, it serves to nurture Taiwan's ever-growing commercial ties with the U.S.



Visas as usual at the American Institute
The ghostly facade is also deceptive.

This year, trade between the two countries is expected to reach an impressive total of \$9.6 billion, up from \$7.4 billion in 1978; it has made Taiwan the U.S.'s eighth largest trading partner. By contrast, two-way trade between the People's Republic of China and the U.S. this year will amount to \$1.8 billion. Washington has quietly but systematically encouraged the bilateral trade boom. Among major recent deals: the Export-Import Bank, which sent a delegation to the island this fall, extended \$500 million worth of loans during 1979. Since January, American banks have also contributed to a \$200 million loan to the Taiwan Power Co. General Electric has joined with Taiwan companies on a \$30 million turbine-generators project. Said Robert P. Parker, president of the American Chamber of Commerce in Taiwan, earlier this month: "We have毫不hesitatingly reaffirmed our confidence in Taiwan."

That confidence has been generated by Taiwan's formidable economic achievements, in spite of the diplomatic setback of U.S. derecognition. Per capita income is now close to \$1,500, a more than 25% increase in two years. One particular statistic elicits envy in the West: the 25% growth in productivity last year that enabled the country to afford an average 16% industrial pay increase. Overall, foreign trade also continues to grow at a gallop. It went up by an extraordinary 35% in 1978 and rose another 20% this year. In Taipei the signs of prosperity are everywhere. Reports TIME's Hong Kong correspondent Richard Bernstein: "The city is filled with sleek and sleeker cars (most of them manufactured on Taiwan), color television sets, elegant and crowded restaurants, coffee shops, haute couture boutiques and every sort of expensive bar and club for well-heeled local and foreign businessmen."

The boom has commanded a new respect abroad, despite the country's diplomatic isolation. Explains a Western expert in Taipei: "There are certain objective facts that make you optimistic about Taiwan. The country exists. It has a government that governs and an army that can fight. It has excellent economic policies and a broad consensus among the people that they don't want to be Communist." The optimism has even prompted some countries that long ago abandoned Taiwan diplomatically to creep back commercially. In the past 16 months, both France and Belgium have set up new trade offices in Taipei.

Taiwan, however, is not betting its survival only on trade or on the backdoor resumption of old commercial friendships. Political isolation has only in-



Rush-hour traffic in downtown Taipei

The signs of prosperity are everywhere.

tensified the Nationalist government's concern for military self-reliance. Though the U.S. sold no arms to Taiwan during 1979, Taipei is expected to submit a long shopping list to Washington for next year. Items: replacement aircraft for Taiwan's 150 F-5Es, Harpoon ship-to-ship missiles, new reconnaissance aircraft.

At the same time, Taipei has also felt compelled to operate with a new international flexibility. For the first time in 30 years, the government has quietly encouraged Taiwanese businessmen to pursue opportunities in some Eastern European countries, such as Poland and Hungary, though not in the Soviet Union.

Economic prosperity, however, has also brought internal political restlessness. Two weeks ago, 500 people in the southern industrial city of Kaohsiung rioted when police tried to break up their unauthorized antigovernment rally; 22 of the rioters were subsequently arrested. Many of the protesters belonged to groups that have long sought a relaxation of the tight political grip on the island by the ruling Kuomintang (Nationalist Party). Other opponents of the government have been demanding "independence" for Taiwan, meaning that the island should renounce its claims to the mainland and accept the reality of Peking. For all of Taiwan's new sense of self-reliance, however, that notion still remains anathema to the government. "That concept must be eradicated," says Taiwan's President Chiang Ching-kuo. "It is contrary to the national conscience."

World



Georgian schoolchildren on a tour of the refurbished Stalin museum in Gori

SOVIET UNION

Stalin's 100th

Few feel the urge to celebrate

During the quarter-century of Stalin's iron rule over the U.S.S.R., the dictator's birthday on Dec. 21 was cause for frenzied national jubilation. As Stalin grew older, *Pravda* and every other Soviet newspaper carried little else but good wishes to him from groups of factory workers and collective farmers, some of whom would double their production in his honor. But since the dictator's death in 1953, and especially since Nikita Khrushchev's famed destalinization speech three years later, few Soviet citizens have felt the urge to celebrate the birth of a tyrant whose reign of mass police terror cost the country millions of lives.

On the 100th anniversary of Stalin's birth last week, *Pravda* ran a major editorial that mentioned some of Stalin's crimes, including "serious violations of Soviet legality and wholesale reprisals." As a result, the paper said, "many distinguished Communist Party and government leaders, high-ranking military commanders, honest Communists and non-Party people had suffered, though they were innocent." But since Stalin's death, the Party had "resolutely eradicated the consequences of the cult of personality." Still, *Pravda* called Stalin a "distinguished leader" who had supplied a "need for centralized leadership, iron discipline and extreme vigilance" during most of his reign.

Pravda's dual reaction to the centennial reflected the ambivalence of the present Soviet leaders, most of whom rose to power during Stalin's regime. As the dictator's surviving heirs in the Kremlin, they are reluctant to expose crimes for which they share at least moral responsibility. Thus sharp condemnation of Sta-

lin ceased after Khrushchev's overthrow in 1964; since then, books and films have praised him as a great wartime leader. As for ordinary Soviet citizens, nearly half of whom were born after Stalin's death, a surprising number seem scarcely to have heard of him at all.

Still, Stalin's memory is alive in his native Georgia. Last week his centenary was celebrated by thousands of Georgians who had gathered in Gori, the dictator's home town. Carrying carnations, chrysanthemums and portraits of Stalin, they danced through the streets to the music of five marching bands. Others crowded into the newly refurbished Stalin museum in Gori, or gazed reverently at his statue atop a 10-ft. pedestal in Gori's main square—one of the last remaining statues of the dictator in the Soviet Union.

The Georgians' attachment to their native son is not only local pride, but also local resentment at their domination by the Russians who rule the country from Moscow. Less understandable is the nostalgia for the Stalin era that is expressed by a minority of Russians. Some complain that the price of vodka has risen astronomically since Stalin. Others mistake the relaxation of terror that followed Stalin's death for moral laxity. The thriving black market, the dissident movement, modern art exhibitions, rock 'n' roll and nudes in Soviet movies have all caused Soviet conservatives to observe wistfully that people would have been jailed for such things under Stalin.

Many seem to miss the sense of national unity and purpose they felt under Stalin in World War II and the hope that peace would bring real freedom. For them, Stalin's birthday is an event to be remembered, if not celebrated. Says one Moscow intellectual: "The longing is not for Stalin himself; very few people approve of that style of leadership. It's the dream they miss."

GREECE

On the March

Students' ire against Law 815

No since November 1973 had so many Greek university students rallied in protest. At that time, the celebrated siege of Athens' Polytechnic University had provoked a violent clash with the army that helped topple the country's military junta. Now the marchers, 15,000 strong from all political factions, swept through the streets of Athens with a more peaceful aim: to protest a grabshot series of educational reforms known as Law 815. Trying to play it safe, the conservative government of Premier Constantine Caramanlis had closed the country's seven universities (total enrollment: 100,000). But as it turned out, the students intensified their challenge by staging a takeover of the campuses for six days of marathon sit-ins. "Hands off the student union!" they chanted. "Ban Law 815!"

On the face of it, Law 815 hardly seemed a piece of villainous legislation. Passed last year to help raise Greek universities to European standards, it addressed some of the problems of an educational system that is widely recognized to be a shambles. But each successive reform roused the ire of either the faculty or the students or both. Under the law, for example, all professors, who have long reigned supreme in their own "chairs" of tenure, will be grouped in departments administered by a pool of professors and two elected students. The law also takes aim at another hallowed institution on the other side: the "eternal" students, who by the old rules, could take—and fail—the same exam three times a year with outing being drummed out. Now, to the wrath of the 60,000-member student union (E.F.E.E.), exams are being held only twice a year, and failure means repeating the academic year.

Beyond opposing specific provisions, the protest also reflects a conviction that Law 815 is a government tool aimed at weakening the student union while encouraging the "silent majority" of unorganized students. For its part, the government has made matters worse by accusing the students of seizing the campuses simply because "they are lazy and want the right to be eternal."

But why do so many students fail the exams at all? A root cause is one that Law 815 ignores: overcrowding. Professors often lecture to classes of 1,500 students. Only 10% of Athens University's 45,000 students are housed in dorms. In addition, labs are ill-equipped, textbooks long outdated, libraries usually closed. Says Student Union President Christos Papoutsis about Law 815: "It's like trying to construct a building from the second floor up, having forgotten to put in the foundations and the first floor."

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The ghost of Christmas Present and companions harangue old Ebenezer in *Comin' Uptown*

Theater

Comic Scrooge, Demonic Shlemiel

Dickens updated in Harlem. Singer in a magic shtetl

COMIN' UPTOWN Music by Garry Sherman; Book by Philip Rose and Peter Udell; Lyrics by Peter Udell

Just in time for the holidays, Broadway has a festive new ornament, an all-black musical version of Charles Dickens' *A Christmas Carol*. Scrooge is a Harlem slumlord with a goatee and an Afro. Marley's ghost marches through eternity in sneakers, and the three Christmas ghosts are high-stepping disco dancers. Even Dickens' capacious imagination could probably not have envisioned such sequins and flash. Taken on its own good-natured terms, however, *Comin' Uptown* is a high-gloss package that should brighten everybody's holiday.

The music is amiable rather than memorable, and the choreography is spirited rather than inspired. But Gregory Hines is delightful as a sly, streetwise Scrooge. "Somebody's gotta be the heavy," he sings in his opening number, and old Ebenezer had better be that somebody. Hines is well supported by the rest of a large and obviously happy cast, and if all ghosts were as finger-snapping funny as Saundra McClain (Christmas Present), being haunted would be more a dream than a nightmare. Yet the highest praise of all has to go to Robin Wagner, whose sets, as clever and as intricate as Chinese boxes, encompass half of 125th Street. Wagner was the unseen star of such mediocre musicals as *Ballroom* and *On the Twentieth Century*, and he gives special luster to this Christmas card from Harlem.

—Gerald Clarke

TEIBELE AND HER DEMON
by Isaac Bashevis Singer
and Eve Friedman

Even for great American prose writers, the theatrical muse has been a bitch. Henry James' and F. Scott Fitzgerald's plays were disappointments; Saul Bellow's *The Last Analysis* lasted less than a month. Thus Nobel Laureate Isaac Bashevis Singer and Collaborator Eve Friedman find themselves in distinguished company with *Teibele and Her Demon*, a "fable" for Broadway.

The girl of the title role (Laura Esterman) is a shtetl beauty, eyed from afar by the local shlemiel, Alchonon (F. Murray Abraham). Teibele loathes her admirer—until he appears in her bedroom in the guise of a demon. Under the stars they become lovers, while under the sun they remain strangers, until the night creature persuades his lady to marry Alchonon. But with the public union come private agonies: the alchemical force disperses, leaving two ordinary people who plunge into insanity and sorrow.

In his lyric short stories and novels, Singer's prose is suffused with drama. In the theater, his work becomes prosaic. The notion of a girl deceived by a man who does not change his costume or his appearance demands a magic that neither the manic cast nor Director Stephen Kanee can sustain. For this tenuous fantasy, an entertainment tax is difficult enough. A credibility tax is insupportable.

—Stefan Kanfer

Cinema

Fan Dance

ALL THAT JAZZ

Directed by Bob Fosse

Screenplay by Robert Alan Aurthur and Bob Fosse

There is nothing unpredictable about Bob Fosse: this gifted director-choreographer has shown the same strengths and weaknesses throughout his stage and film career. As a showman, he has no equal. Music, performers, movement, lighting, costumes and sets all blend together in Fosse productions to create brilliant flashes of exhilarating razzle-dazzle. Yet the man just does not know when to leave well enough alone. Too often Fosse insists on fusing entertainment with superficially conceived Big Themes. Certainly musicals have a right to be serious, but Fosse's song-and-dance flights into the metaphysical are less illuminating than pretentious. Who cares about, or even remembers, the deeper meanings of such glittery Fosse projects as *Cabaret*, *Pippin* and *Chicago*?

Nowhere is the director's artistic schizophrenia more apparent or disturbing than in *All That Jazz*, a highly personal film that swings wildly from the sublime to the ridiculous. For half its length, *Jazz* is a knowing and witty tour of high-powered show biz, with Fosse as the guide. The film's hero, Joe Gideon (Roy Scheider), is a driven director-choreographer

Space Opera

THE BLACK HOLE

Directed by Gary Nelson

Screenplay by Jeb Rosebrook and Gerry Day

"**M**ovies are binary," George Lucas once said. "They either work or they don't." He meant that even if some elements fall below standard, that may not affect our overall feeling for a picture if something about it grabs hold of our consciousness. Lucas comes to mind because so much of the Disney studio's *The Black Hole*—an overpowering score, squads of menacing heavies and, especially, two adorable robots—are straight *Star Wars* steals, and because, despite all this sincere flattery and a script and performances that are merely adequate, the fool thing works.

The story has an American rocket ship encountering two curious phenomena in outer space. One is the entrance to the biggest black hole anyone aboard has seen, the other is a large, rather charmingly antique-looking space vehicle parked near it with its lights out. The men of the former craft are absolutely basic: one stalwart captain, one joky co-pilot,

who not only looks like Fosse but also shares his personal and professional history. As Gideon rehearses a new musical that recalls *Chicago* and edits a new movie that resembles *Lenny*, he carries on harried, selfish relationships with a lively crew of often recognizable figures.

Gideon's estranged wife and current lover (played by the quicksilver dancers Leland Palmer and Ann Reinking) are virtually undisguised portraits of Gwen Verdon and the real-life Reinking. The hero's artistic associates are scabrous caricatures of past Fosse collaborators. Through a series of gritty backstage scenes and razor-sharp dance numbers, these players dramatize all the tensions, hard work and neuroses of idiosyncratic, invertebrate show people. In *Jazz's* spectacular opening sequence, a Broadway audition, Fosse even creates his own capricious version of *A Chorus Line*.

Unfortunately, the fun comes to a screeching halt when Gideon re-enacts Fosse's heart attack. Though it is daring for a film maker to dramatize his own brush with death, Fosse does not so much confront his own mortality as trivialize it. His usual grab bag of showbiz metaphors is not equal to the dramatic tasks at hand. Indeed, some of Fosse's conceits are embarrassing. An angel of death (Jessica Lange) trots in and out to recite banal Freudian explanations of Gideon's workaholism and promiscuous sexuality. Ben Vereen and dandies in cardiovascular body stockings hoof it up to songs with lyrics about death. A hospital fantasy sequence looks at once like an elaborate antismoking commercial, a parody of Fellini and a Vegas floor show. The results are shocking, but



Ben Vereen, Roy Scheider and Ann Reinking in *All That Jazz*

not in the way that Fosse intended.

Though Scheider is a wry, sensitive actor, he soon gets lost in the vulgar theatrics. So does the subject of death. When Fosse attempts to put his heart on the table, he does so too literally. *All That Jazz* contains close-ups of open-heart surgery, but few insights into Gideon's soul. What Fosse regards as self-analysis often comes out as egomaniacal self-congratulation; there's even a scene where Gideon cries at his own funeral. Still, Fosse is no fool, and at times he is his own best critic. *All That Jazz* is never more honest than when its hero confesses, "Sometimes I don't know when the bull ends and the truth begins."

— Frank Rich



one overdedicated scientist, one slightly shiftless civilian and one pretty lady whose function is to be placed in jeopardy. The sole proprietor of the ship they run into is Maximilian Schell, a great long-lost scientist whose ego trips are as monumental as his space voyages and who is, indeed, quite round the bend. His crew are all robots, though some of them were human before he started doing these terrible things to them. Of course, he cannot afford to let his visitors return to earth with news of his malefactions, and besides he's about to pop down the black hole and doesn't really believe in car pools.

Though all this takes much time to set up, the talk is at least drivel-free in a way the pompous *Star Trek* is not, and interest is sustained by Peter Ellenshaw's marvelous effects and designs, particularly of Schell's ship, in its amusing mixture of the plush and the technological. It recalls Captain Nemo's submarine in Disney's *20,000 Leagues Under the Sea*. But it is when the visitors have to start fighting their way out of Schell's clutches that the picture begins to take off.

This long sequence is a blend of smartly staged action and mechanical and photographic effects as spectacular as anyone has achieved. It simply blows one

away. The trip into the black hole that follows owes too much to *2001*, but there are some amusing visual references to *Fantasia*, which partly compensate. It is good to see the Disney craftsmen doing what they do best on such a grand and risky scale. If one has time for only one space opera this season, this is the one to choose.

— Richard Schickel

Maximilian Schell with humanoid crewman, and his space ship in *The Black Hole*





Auction of contemporary art held at Christie's main salesroom in Manhattan fetched an impressive total of \$2 million for 136 works

Living

COVER STORY

Going . . . Going . . . Gone!

The auction business is booming as more and more Americans catch art-collecting fever

Those wily old Romans started it all. They developed the form of sale that became the auction, and used it to sell everything from statues to tapestries to palaces and, finally, the relics of their republic. They knew well that *auctio* (literally, an increasing) was where the action was. They should be around today.

Not since the first hammer dropped to the highest bidder have sales of val-

ables commanded such audiences, such publicity, such prices. While anything that is relatively rare is sure to fetch a pretty penny at auction these days, things of beauty and lasting worth—"objects of virtue" to the trade—are going for sums that would boggle the *I of Claudius*. *Ars gratia auctionis*. Throughout the U.S. and the rest of the West, once listless salesrooms thrum with auctiophilics in search of a piece of the past; the top firms hold sev-

eral simultaneous sales a day six days a week. In 1979 Sotheby's and Christie's, the two London-based giants of the international fine arts auction business, together have netted \$702 million worldwide. Nor does anyone expect recession to cool the fever. Some indicators:

► A huge painting of scarlet lips suspended over a landscape, the work of American-born Dadaist and Photographer Man Ray, sold Nov. 5 at Sotheby

Center: David Bathurst, president of Christie's New York, conducting Impressionist and modern painting and sculpture sale for \$7 million



Bidder at Cleveland house sale



Architect Philip Johnson at sale

Photographs for TIME by Ted Thai



Gripped by the action

Parke Bernet in Manhattan for \$750,000. It was by far the highest price ever paid at auction for a surrealist work.

► Earlier this month in Manhattan, the highest amount ever brought by a poster at auction—\$26,000—went for Toulouse-Lautrec's color lithograph of Parisian Cabaret Singer Aristide Bruant.

► A study for the Rodin sculpture *Burghers of Calais*—not the final work—went for \$255,237 in Monaco. The price set a record for any Rodin bronze.

► A Picasso drawing, *Tête Classique*, fetched \$210,000 in Manhattan—another record.

► In five days of November, impressionist, modern and contemporary art sales at SPB netted nearly \$21 million, close to the firm's entire 1967-68 turnover.

"The whole scene is slightly crazy," said Leslie Waddington, a leading London dealer who attended the sales—and observed that few of the offerings were

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Exchange board records bids in leading international currencies
The Romans, who developed the auction, would love it.

of premier quality. "It's public insanity."

No sale in years has come closer to craziness than Sotheby Parke Bernet's Auction 4290 in Manhattan on Oct. 25. It took only three minutes and 45 seconds to gavel down Frederic Edwin Church's *The Icebergs* for \$2.5 million. That was the third highest bid ever made for a painting at auction* and more than twice as much as any other Amer-

*The two highest: Velázquez's *Portrait of Juan de Pareja*, \$5.5 million, in 1970; Titian's *Death of Actaeon*, \$4 million, in 1971.



David Rockefeller waits

ican work of art has ever fetched (see ESSAY). In all, 264 works by 146 American painters of the 19th and 20th centuries posted a record for a sale of U.S. art: \$6,750,950. *The Icebergs*, a flamboyant canvas by one of America's best landscapists, was bought by Texas Oilman Lamar Hunt. Despite its size (9 ft. by 5 ft.), weight (more than 500 lbs. with frame) and fame, the painting had disappeared for more than a century until it was rediscovered last June in a penny-pinched English juvenile home.

Sotheby Parke Bernet's 4290 was a landmark sale: the prices realized at the auction will serve as reference points for years to come. Thus in the hierarchy of cash a relatively obscure artist by world standards ranks, for now at least, above any Dutch old master, any English painter, any French impressionist, any American abstract expressionist, any sculptor of any age.

Nor are high prices limited to paint-

At Sotheby Parke Bernet in Manhattan, canvas of scarlet lips by Man Ray sells for \$750,000, highest ever bid for a surrealist painting





SPB President John Marion auctioning Frederic Edwin Church's *The Icebergs* for \$2.5 million, alltime record for an American painting.
The auctioneer combining the talents of a croupier, fight promoter, matinee idol and lecturer, feeling the weight of money.

ings. Earlier this year auctioneers gaveled record prices for a French snuffbox (\$150,000), a Roman glass bowl (\$1.9 million), an American weather vane (\$25,000), a Louis XV marquetry cabinet (\$1.8 million), a Fabergé hippopotamus cigarette lighter (\$55,000), a book of photographs (\$100,000), a 2nd century A.D. Roman head (\$94,000). *Per auctionem ad astra.*

Collectionitis is as pervasive as inflation, as euphoric as a drug high. Its grip reaches far beyond the roseate world of Rembrandts, Sévres porcelain and Georgian silver. A vast subculture of acquisition is feeding on scarce objects of every conceivable description. Britons are busily unearthing—and auctioneers as busily selling—such objects of dubious virtue as antique typewriters, gramophones and biscuit tins. Americans, with more cath-

olic taste for trivia, have enshrined such unlovely objets trouvés as old flyswatters, orange reamers, apple parers, Kraft cheese jars (a.k.a. "swanky swigs"), Mickey Mousiana, player pianos, Coke bottle tops, beer cans, Barbie dolls, barbed wire and tractor seats—to name only a smattering. Gypsy Rose Lee's mink G string sold for \$1,500 to a London banker. In the mid-1920s, the firm of Louis Comfort Tiffany dumped carloads of the then unpopular art nouveau glassware that bears his stamp; a well-preserved rare Tiffany lamp today can be worth up to \$150,000. By one estimate, the U.S. boasts 22 million collectors of one kind or another, mostly another. There are no junk stores any more, only antique shoppes.

And so the word "collectibles" has entered the language. To the serious accumulator, a collectible is any object of intrinsic value and aesthetic appeal. Forget the bottle tops. The field by definition includes such esoterica as crystal paperweights and samurai swords—but anything that can loosely be called art draws the richest audience and

the fiercest competition for ownership. And the area is continually expanding as fads and fashions change.

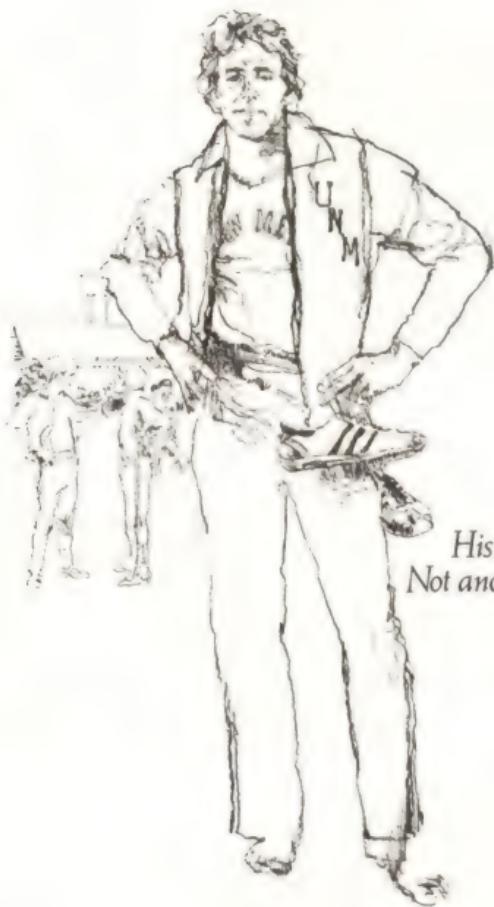
American folk art, however humble its origin, is soaring in value as well-crafted objects like pewter pots, duck decoys, quilts and scrimshaw (erotic examples in particular) become ever scarcer. Photographs are commanding fine arts prices; an original print of Ansel Adams' *Moonrise, Hernandez, New Mexico* sold last week for a record \$22,000. "We can see the day when a single photograph will fetch \$100,000," says Philippe Garner, a Sotheby's photographic expert. Almost any object from the once scorned 19th century now seems as precious as Suez Canal Co. stock was in its heyday. Twenty years ago, a New York dealer reminisces, "people were giving away Victorian furniture for wood scrap." Today those otherwise indestructible pieces, long derided by the English as "chocolate" (they are Hershey brown), still cost less than glued-and-screwed contemporary furniture—but probably not for long, already a Victorian sleigh bed sells for as much as \$30,000. Early American furni-

Beds for sale in Cleveland



Examining 18th century painting in Sotheby's London salesroom





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Living

ture, particularly colonial adaptations of Queen Anne, Chippendale and Hepplewhite, are worth far more than 18th century English pieces of the same style.

Victorian painting from both sides of the Atlantic has emerged triumphantly from post-Reginal depression. Long dismissed as sentimental kitsch, mighty canvases of noble beasts, Highland crags and soul-pierced virgins were selling for at most \$1,000 in 1967; they go these days for up to \$100,000. A sale of 19th century paintings at Christie's in Manhattan returned \$1.9 million. "It was a lot of rubber," snorted one Christie's man.

Over the past six months, such objects as ivory and jade pieces and antique silverware have all recorded huge price increases at auction. Among several categories of fine arts that experts believe to be underpriced but rapidly appreciating in value: 17th century old master drawings and prints; Victorian furniture, paintings, drawings, porcelain, silver and antiques of all kinds; Japanese pottery and porcelain, ivory and enamels; Italian baroque paintings and Renaissance statuary; American primitives; Egyptian, Greek and Roman antiquities. Also upward bound are American Indian artifacts; antique gold watches, rare manuscripts, books and autographs; Victorian and Edwardian jewelry, and art deco furniture. It seems that nothing that can be collected is being neglected. Well, almost nothing. Among the few items that have not appreciably gained in value in recent years: Jacobean furniture and portraits by lesser English artists of the 18th and 19th centuries.

What kind of people are spending for such things? And why? An immensely wealthy individual—a Getty, a Norton Simon, a Mellon—finds in great art what eluded Alexander of Macedonia—a last world to conquer. It is a lust to which overachievers



At Christie's, an expert examining jewelry

ers have been notoriously susceptible, from Catherine the Great, who built Leningrad's incomparable Hermitage ("I am not a nibbler but a glutton") to U.S. Industrialist Joseph Hirshhorn, the great benefactor of the Smithsonian ("I have a madman's rage for art"). To be sure, such stupendous collectors and donors still make record purchases. But it is not the proud possessors who crowd the salesrooms and find bonanzas in baubles.

The average buyer today is fairly young, probably in his 40s, and well-to-do. "Along with old money and society," says Atlanta Auctioneer David Ramos, "the young guy who scored in real estate is becoming an increasing part of our clientele. Also there are successful young lawyers

who are investing in antiques for their homes and offices." The protests of purists notwithstanding, many people are buying tangibles as a green hedge against wilting paper of whatever kind, dollars or marks, stocks or bonds. As Sotheby's chairman, Peter Wilson, points out, "There's not a single person who believes that if you put \$100 in an envelope and decide you want to give it to your son when he is 21, in 20 years' time that \$100 will buy what it does today. Nobody in the world believes really in currency any more."

Many other factors have combined to pump up the proceeds. First-rate works of art are in short supply, and becoming ever more scarce, as the auction catalogues—if not the sales figures—sadly reflect. The prizes go mostly these days to citizens of nations that do not extract excessive taxes from the wealthy: Switzerland, France, West Germany, Japan and the Arab countries. Americans remain very much in the market, however, thanks in part to U.S. tax laws that permit a collector to deduct contributions from his taxable estate if he has willed his treasures to a museum. The museums of America, Western Europe and Japan have at their disposal millions of dollars for acquisitions. The biggest spenders: France's Pompidou Center, Washington's National Gallery, New York's Metropolitan, the Getty in Malibu, Calif.

Some of the cannier collectors of all are thieves, whose acquisitions from museums, galleries, churches and private homes are seldom recovered, despite intensive international police work. Interpol has an FBI-style Most Wanted list of stolen art works, some dating from 1938. Last week a priceless Tintoretto painting missing for nearly 30 years was recovered by the FBI in New York.

The price spiral is also sustained by a vastly increased public interest in art. More than 175 million Americans visited museums last year. Americans are better educated and more intrigued than ever with objects of lasting value. They share a hunger for possessions that have not been stamped out en masse for a homogenized society. They are beginning to emulate upper-crust Europeans, who have always invested disposable income in tangibles. Says Sotheby's Wilson: "We live in such difficult times that the art of the past is somehow reassuring. It can even be an alternative to religion." For many accumulators, it is.

Thus collecting valuable objects is no longer the preserve of the rich. At Sotheby's Los Angeles branch, which recorded a 1978-79 turnover of \$13.7 million, 50% of all items on sale go for less than \$300. Says Sotheby's Los Angeles president, Peter McCoy: "It makes sense for the average person to frequent our auctions. He'll be competing with the antique shop owner who'll sell a piece for more [probably 40% more] than



At Sotheby's in London, cataloguers listing 18th and 19th century paintings for coming sale
Objects of beauty and value going for sums that would boggle the I of Claudius.

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Living



Proud possessors bring art for assessment at Lancaster, Pa., Heirloom Discovery Day
Collectionitis has become as pervasive as inflation, as euphoric as a drug high.

he can buy it here." *Caveat emptor.* There is an instant chic, a feeling of sophistication, in visiting auction rooms: decorated with pricey art and antique furniture, they resemble a cockney's dream of ducal halls. Sotheby's main salesroom in London, hung with chandeliers and often lined with valuable paintings, resembles a grand ballroom. Christie's, a few blocks away, has the slightly more venerable atmosphere of a London men's club. However, the principal attraction of an auction house before a sale is that it enables the viewer to make closer and longer observation of art works than he can possibly do elsewhere.

An important auction combines the tension of an operatic first night with the ambience of a celebrity party. A top auctioneer has the talents of a croupier, a fight promoter and a matinee idol. As SPB President John Marion, who has wielded

the gavel for 18 years, said to TIME's Georgia Harbison: "A good auctioneer is very much like a good lecturer. Everyone should understand what's going on and be sitting forward in his seat." He added: "Sometimes the atmosphere in the salesroom is absolutely crackling. The eyes of the whole world are on you at an impressionist sale. As much as \$5 million may change hands in one evening. You just feel the weight of money in the room."

Clearly, the main problem for the auction houses is not a lack of public interest but the shortage of salable material. To lure valuables into the marketplace, they run ads in local papers urging people to rummage through their attics. Sotheby's also runs so-called Heirloom Discovery Days, on which for a small fee expert appraisers evaluate real and imagined treasures. A woman dropped in at its Los Angeles branch with a shoe box of attica that

she had planned to give to the Salvation Army; the six Fabergé silver-and-enamel pieces she unwrapped sold for \$45,000.

The auction firms also assiduously cultivate known collectors in the hope that, alive or dead, they will some day assign their possessions to the market: auction executives are among the world's most diligent readers of obituary pages. William Doyle, the ebullient Boston-Irish owner of a seven-year-old Manhattan house, who expects to gross \$15 million this fiscal year, flies in his own plane to reconnoiter rumored treasures. On a trip to Warrensburg, N.Y., he found a trunkful of letters autographed by five of the signers of the Declaration of Independence.

In a ferociously competitive business, similar tactics of search and cultivation are used by major auction houses across the U.S.: Robert W. Skinner Gallery in Bolton, Mass.; Adam A. Weschler & Son and C.G. Sloan & Co. in Washington, D.C.; Mortons in New Orleans; San Francisco's Butterfield & Butterfield; West Palm Beach's Crosby Auction Galleries. The so-called country auction where the city slicker might once snap up for a song a Revere silver or a federal hibby is as distant a memory as the nickel newspaper. Says Scudder Smith, editor of *Antiques and Arts Weekly*: "You look around some of these little country auctions and there are 25 well-known dealers there."

English auction firms are particularly renowned for their well-connected staffers' ability to sniff out what they delicately call "aristocratic sales of necessity" (translation: the duke needs cash). Even the sophisticated rich often have unexpected treasures on their premises. Before sitting down to lunch at their country estate with the Earl and Countess of Verulam, Christie's Oriental ceramics director, Sir John Figgess, asked his host if there was a cloakroom (bathroom handy). There were two cloakrooms, allowed Verulam: "You take this one and I'll take that one." In the john that Sir John took, he found a mid-14th century underglaze copper red-and-white wine jar. The Ming jar sold—at Christie's, naturally—for \$204,250.

As audiences have changed, so have the mechanics of auctioneering. Twenty years ago, salesrooms were decorous, dusty—and dull. They were frequented mostly by dealers or agents for anonymous collectors. Save for the hobbyist or scholar who might attend a sale of arms and armor or rare folios, amateurs seldom bid for anything; mostly they were scared away. One intimidating aspect of auctions has been the seriocomic notion that by a cough or casual gesture the unwitting onlooker may become a high-rolling bidder. Only half in jest, Louis Marion, who headed the old Parke-Bernet firm and was the father of SPB's President John Marion, once cautioned: "Women who use their catalogues to salute late-coming friends do so at their



Stuffed bear arrives at Manhattan gallery for trophy mounts sale (It brought \$4,000)
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Living

peril." In practice, a buyer who wishes to remain anonymous prearranges his signals with the auctioneer. Thus a bid may be wigwagged by a nod, a wink, a patted handkerchief, a crooked finger, an arched eyebrow. Says one Manhattan auctioneer of a prominent patron: "When he turns his back on me with a cigar in his mouth and walks away, that means he's bidding."

I t has been only in the past decade or so that the big sales have been covered by the press as Events; the sums paid for art used to be buried in newspapers along with ship arrivals. Now, with the tremendous increases in fine arts prices and the expansion of public interest, big auctions have become flash-

bulb and video-tape fiestas. To a large extent the transformation has been wrought by Sotheby's, the world's largest, canniest and most aggressive house. In the late '50s Sotheby's introduced such techniques as international telephone hookups, bidding by closed-circuit TV, the gala evening sale crammed with formally clad celebrities, assiduous ballyhoo and greatly increased sale schedules. More recently, Sotheby's pushed its mass-marketing strategy even further by signing an agreement with Tokyo's Seibu Department Stores Ltd., which brings the Western fine arts auction market into retail stores and enables Japanese buyers to place bids for, say, an over-the-counter Constable. When Wilson retires as Sotheby's chairman in February, he

will be succeeded by his cousin, the Earl of Westmorland, who is an equally innovative businessman. "I am sure," says Westmorland, "the auction game is going to grow more and more popular."

The auction as a news and social spectacular came to full flower with Sotheby's acquisition of Manhattan's Parke-Bernet in 1964. Christie's, its more decorous rival, came to New York 13 years later and has been more cautious about expanding worldwide. (Sotheby's has 42 international bases; Christie's 29.) Not totally tongue in cheek, Christie's maintains that "Sotheby's is a businessman pretending to be a gentleman, while Christie's is a gentleman pretending to be a businessman."

To some critics, the auction houses'

The Collectors: Three Vignettes

People buy art for all reasons and with all incomes. Broadly, however, they fall into three categories: the amateur, who appreciates beautiful objects for their own sake; the investor, who is primarily intent on making money; and the rare great collector, who assembles treasures on the grand scale that enriches society. Three vignettes:

The Addicted Amateur With gray-black locks dangling in ringlets over his black velvet jacket, Stuart Pivar, 49, resembles an apparition from one of the dark Victorian paintings of which he is an avid collector. A New Yorker who owns several plastics companies, he accumulates paintings and bronzes because "there is nothing more exciting than to have great objects of art around." He concentrates on 19th century academics,

pre-Raphaelites and symbolists, because at the time he began collecting 20 years ago they cost relatively little. Hofstra-educated Pivar has steeped himself in his field since then, reading exhaustively and traveling to important auctions around the world. Says he: "To be a knowledgeable collector of 19th century painting you have to be a mythologist as well as a historian. Being a collector turns you into an aesthete, a financier, a voyager, a voyeur and a scholar."

Pivar, who already owns canvases by Dante Gabriel Rossetti, Bouguereau and Burne-Jones, is constantly expanding his collection, which is already far too large to display in his cavernous two-story bachelor apartment off Manhattan's Central Park. He concedes that his paintings of diabolical winged crea-

tures, furiously driven chariots and diaphanously clad maidens are basically "décor," adding: "You are not supposed to look at the paintings, they look at you. The art puts out the energy." Anything that produces energy these days should be profitable, of course, and Pivar's collection is no exception. "Since I started to collect," he says with satisfaction, "19th century painting has increased tenfold in value. It can still go another tenfold."

The Happy Investors For Atlanta's Noel and Kathy Wadsworth, investing in art is a full-time occupation. Last April, Wadsworth, 43, sold his thriving 20-year-old carpet plant in Dalton, Ga., in order to concentrate on what had been the couple's consuming interest: collecting French and American impressionists. "We've always been interested in art, and we'd always bought local artists," he explains. "Then, five or six years ago, we just had a yearning for artists who were names in books, *fine art*, artists who were dead."

Though they have consistently bought only "paintings we would want to hang in our house," they are aware that investing in art requires, perhaps more than taste, extensive scholarship and close scrutiny of market trends. Working out of an elegant house overlooking the Chattahoochee River, Wadsworth spends two full days a week keeping up with art news, studying auction and gallery catalogues, digging into reference works. Together the Wadsworths attend auctions and visit galleries in New York, Paris and London. "We try for a unified theme," says Wadsworth, who studied industrial design at Auburn. "But we have a broad range. We view the art as our portfolio, just as people invest in stocks and bonds." While they have put most of their funds into collecting, they can now finance new purchases by selling



Noel and Kathy Wadsworth of Atlanta with some of their impressionists.

CHRISTIE'S

success is excessive. While no one blames them for dizzy prices—they are not their bidders' keepers—even dealers who are making wild profits as a result of the art boom evince a certain distaste for the whole process. London's Waddington points out that the auction world's Big Two, unlike most thriving corporations, do not plow back even part of their profits into research, grants for young artists or gifts to museums. Says he: "They are simply dealing in commodities." There is a gavel-size black cloud over the Big Two, however. Christie's, closely followed in London by Sotheby's, in 1975 tacked a 10% buyer's premium on all sales (in addition to the average 10% commission charged the seller). English dealers with American backing sued the two firms for collusion and restraint of trade. The case will not even come to trial for another year.

other year, in the U.S., where the same surcharge has been levied, a dealer's suit may be played all over again.

A far more controversial move was made by Sotheby's last summer. The company announced that it had entered into an agreement with Citibank, the second largest banking organization in the U.S., to assist the bank's millionaire clients in acquiring artworks for investment. Though Sotheby's insists that the arrangement contains sufficient built-in checks and balances to dispel any suspicion of conflict of interest, many people in the art world are skeptical of any deal whereby an auction house may in effect end up supporting its own market. Says David Bathurst, Christie's New York president: "Using art as an investment scares the hell out of me. There's going to be a flood of money in and out, leaving a

sound market devastated because of people who shouldn't have been there in the first place."

That may be an exaggeration. The wealthy and the powerful have invested in art from time immemorial, though it is true that the great collections have been amassed by acquirors possessed of taste and love for the objects they buy. They have not generally been discouraged by hard times. On the contrary, in recessions and depressions and inflations, the smart ones tend to liquidate stocks, bonds and real estate and thus have all the more cash to invest in other fields. Like art. Given the scarcity of beautiful things and the insatiable demand for them, the sales will undoubtedly continue to take the bread and make the circuses. The Romans would love it.

—Michael Demarest



Stuart Pivar with Burne-Jones

paintings that have appreciated in value. In their first year as investors they expect to turn over at least 100 works. Retracing his rags-to-riches career, Wadsworth says happily: "My banker called me up the other day and asked, 'How does it feel for a boy who started out in business over a hairdressing salon in Dalton to have a \$100,000 credit line at Christie's and Sotheby Parke-Bernet?'" Wadsworth's answer: "I never dreamed you could make a living doing something you really like to do."

The Doyenne of Collectors Houston's Dominique de Menil is one of the last of several species: the rich, eclectic collector, the magnanimous donor, the astute organizer, the impassioned evangelist of art and other humane causes. She is 71, a widow, fine-boned, blue-eyed, white-haired and inexhaustible. She and her husband Jean came to Texas from Paris like Picasso doves

in 1941, landing in Oiltown when it was a provincial community consecrated to Babbittry, segregation and crude. Later, the couple got Architect Philip Johnson to design a house for them and then helped to refine Houston.

Mrs. de Menil is the heiress-daughter of Conrad Schlumberger, an Alsatian who with his brother Marcel developed an electronic logging device used in virtually all oil exploration. Her husband, the son of a French baron, was chairman of Schlumberger Ltd.; he died in 1973. Houston was the company's North American headquarters. Mrs. de Menil bought her first artwork, a lithograph of Picasso's *Famille des Saltimbanques*, when she was 28. She followed up by acquiring what may be the world's biggest private collection of surrealists, notably De Chirico, Klee, Magritte and Ernst, the latter alone represented by hundreds of works. Her collection extends to Neolithic, Cycladic, Byzantine, Celtic, Roman, African and Eurasian works. She has also amassed a unique photo archive called *Images of the Black in Western Art*, as well as sculptures and paintings of blacks.

Her largely unsung contributions to the American art scene are extraordinary. Since the first show she assembled and brought to Houston in 1951—24 Van Goghs—the transplanted Frenchwoman (a U.S. citizen since 1962) has organized dozens of imaginative exhibitions, many of which have traveled from Houston to major museums in the U.S. and abroad. Says she: "We could have built the Eiffel Tower for what has gone into those shows." She personally runs and funds Rice University's Institute for the Arts and the Menil Foundation, which contributes to cultural, art and ecumenical projects, as well as such valuable enterprises as *catalogues raisonnés* on

Ernst and Magritte. She also commissioned and gave to Houston the Rothko Chapel, an octagonal building dominated by the late abstractionist's dark and pulsating paintings. The chapel is used for interfaith religious gatherings and international conferences on the humanities.

The big question in Houston is whether the doyenne's collection will be bequeathed to that city, which is not artistically overendowed. Or will it go to France? In a rare interview, Mrs. de Menil told TIME that she does indeed hope to will her treasures to Houston, and is even planning a unique building to house them. Her dream, she says, is to have "a museum tailored to a collection and also in keeping with the times in which we're living." She adds: "I'd be heartbroken to see it dispersed." She makes clear, however, that she cannot finance it alone. That makes it Houston's turn.



Dominique de Menil with Magritte

Time Essay



Confusing Art with Bullion

There are some kinds of success, the painter Edgar Degas once remarked, that are indistinguishable from panic. So it seems with the present boom in the art market. For the past 15 years or so, collectors, dealers, auction houses and their willing accomplices, journalists, have been moved to pleasure, then wonder, and now to a sort of popeyed awe at the upward movement of art prices. If art was once expected to provoke *un nouveau frisson*, a new kind of shudder, its present function is to become a new type of bullion. Thus, we are told by art industry flacks, people now respect art. They flock to museums to see it; its spiritual value has been confirmed, for millions, by its wondrous convertibility into cash. You can't argue with it. It means something if somebody pays \$2.5 million for a lummocking spread of icebergs by Frederic Church, a salon machine whose pedestrian invocations of the sublime are not worth one square foot of a good Turner.

But what, exactly, does it mean? On the most obvious level, it means what everyone knows: that money is losing value. But it also means that we are in the grip of a wave similar to what, in 17th century Holland, was known as the Tulip Mania. The tulip was then a comparatively new import from the Near East, and mutant specimens, with irregular stripes, were prized as rarities—so prized that men would mortgage their villas and their fields. The tulips had little intrinsic value. Their worth as commodities was a function of pure, irrational desire, and their economic fate proved that nothing is more manipulable than desire. When the mania fell away, the flowers were as pretty as they had been before. It was just that now few people wanted them very much, whereas before they had been invested with a kind of fetishistic and obsessive "rarity." Bullion is not absolute; its value is a matter of assignation, of social agree-



ment. Tulip bulbs are no longer bullion, and it is not hard to imagine a time when art will not be either. It has happened before, and can easily happen again. Those who pronounce on art's power as a hedge against inflation—as a commodity that rides the inflationary spiral, always ahead of money—tend not to mention that when runaway inflation lays waste an economy, as it did in Weimar Germany, the value of art collapses.

The second flaw in the euphoric confidence of today's art traders is a matter of historical myopia. How wonderful, we are told, that all things rise in price, as though in some universal resurrection and canonization of the dead. Twenty years ago, you might not have got \$1,000 for the Pre-Raphaelite painting that now fetches \$100,000. The \$30,000 Tiffany lamp was not worth \$3,000, and so on. One is left with the impression—indeed it is cultivated assiduously by the largest gaggle of public relations people ever to batton on the flank of culture—that art prices can only go up: the market has transcended its old uncertainty, whether the objects are million-dollar Titans or ten-buck trash "collectibles."

Fashion, in other words, is taken not to exist. But the unpleasant fact is that no reputation is immune to fashion. The art market is built on it. The French cat-painter Rosa Bonheur, a favorite of Victorian merchant princes, got £4,059 (then almost \$20,000) for her *Highland Raid* in 1887; in 1952 it was resold for under £200, or \$560. Sir Edward Burne-Jones' *Love and the Pilgrim*, sold in 1898 for £5,775 (\$28,000), dropped to £21 (\$85) within less than 50 years. If artists who in their day were considered outstanding, whose work was underwritten by the capital and by the social opinions of a powerful empire, could vanish into the oblivion, there is no reason to suppose that the same thing may not hap-

pen to their modern equivalents—the Rothkos and Newmans, the Warhols and Johns, and even (blasphemous thought!) some of the Picassos. What goes up is quite able to come down. It only needs a little crack in the wall of confidence.

The flood of indiscriminating investment capital that flows toward art these days may yet produce a crisis analogous to the one that nearly sank the Bordeaux wine industry in the early 1970s. A surge of investment in Bordeaux vintages, to some extent by people who could not tell Medoc from camel's urine, shoved prices so high that traditional consumers of claret switched to Italian and other wines, thus tearing the bottom out of the market.

In any case, whom does the art boom benefit? Only collectors and middlemen. Few artists get to share in it. This is partly because boom conditions create an unreal system of reputation, with most of the benefits going to a handful of stars at the top and scarcely anything to the rest. The American art education system, churning out as many graduate artists every five years as there were people in late 15th century Florence, has in effect created an unemployable art proletariat whose work society cannot "profitably" absorb. Generous tax laws, which enabled collectors to buy low, keep a picture for years and then reap a tax benefit by giving it to a museum at its enhanced value, fueled the art boom. The inequity of such laws has been that, if the artist gives his own work to the same museum in the same year, he cannot claim its fair market price as a write-off; all that the IRS gives him back is the cost of canvas and paint. The unfairness is compounded when the artist dies: the state then assesses the paintings in his estate at their highest market value and makes his heirs pay tax on that. This may be why the geese are not cackling with rapture as they lay golden eggs for others. A dull thump and a sigh are enough.

For most of us who cannot make or buy art but do want to look at it in peace, the art boom has been a disaster. The confusion of art with bullion may have done more to alter the way people experience works of art than any event since the arrival of mass color reproduction. It may well be that my generation—the people born between 1935 and 1940—will be the last to remember what a truly disinterested museum visit was like. Quite simply, it is now difficult and, for most people, impossible to walk into a gallery and look at a work of art without its "value"—which means simply price, real or hypothetical—intruding on their reflections. After Velázquez's *Juan de Pareja* was bought at auction for New York's Metropolitan Museum for \$5.5 million in 1970, the then director of the Met insisted, in his usual peppy, overbearing fashion, that the fuss about the price was all nonsense: in ten years' time nobody would care or even remember what the Met had laid out for this "supreme masterpiece."

Nine of those ten years have passed,

and the painting is still contaminated by the fallout from its price. The dance of digits in front of one's eyes renders the thing "special," isolated, fetishistically rare. It not only removes the painting from the flow of discourse about experience that art is meant to sustain, but it makes the price part of the subject of the work, separating it, by implication, from everything else ever painted by Velázquez, turning it from one painting among others into a dead whale on a flatcar, a curiosity to be gawked at. To most people visiting the Met, Rembrandt's *Aristotle Contemplating the Bust of Homer*, bought amid vast publicity in 1961 for \$2.3 million, is still "the two-million-dollar Rembrandt." It is removed, none too subtly, from all other Rembrandts. In the meantime, the clichés of art appreciation—"masterpiece," "go-

art is morally elevating and that museums are, in spirit, secular churches. In the eddies of this confluence, the work of art, battered and sucked this way and that by incompatible necessities, becomes simultaneously prominent and invisible. It can no longer speak as it once spoke. It is asked to become not an object of contemplation, but a spectacle. In the showbiz world that replaces the more subtle processes of art appreciation, there are two kinds of artwork. Treasures and Masterpieces. Anyone can tell the difference. Treasures have gold in them. Masterpieces don't.

As museums become more dependent on corporate funding, this drift away from serious, intelligent exhibition toward spectacle will increase. There will be much more wrapping for mass appeal, in



"I'm putting all my money into 'things.'"

nious," "deep humanity," "quality," "values" and the rest of that fustian—become, in the face of a spiraling market, a dead language, analogous to advertising copy and producing the same kind of knee-jerk reverence in a brutalized culture of unfufillable desire.

This culture is now getting to the point where everything that can be regarded, however distantly, as a work of art is primarily esteemed not for its ability to communicate meaning, or its use as historical evidence, or its capacity to generate aesthetic pleasure, but for its convertibility into cash. The exoticism of high price generates curiosity, and this curiosity fills the museum, turning it into a low-rating mass medium. But there it collides with an older American tradition, the 19th century reformist belief that contact with works of

the form of Tut-style blockbusters and Pompeian frolics. Meanwhile, the proper functions of the museum will receive proportionately less support, because they are not "sexy." As corporate public relations firms insert their flattery into the curatorial arena, diminishing the museum's own control of what it shows while encouraging clients to favor exhibitions with guaranteed pull, the situation will not improve. Eventually, we may be reduced to the Ultimate Art Show, a display of all the gold in Fort Knox relocated to the Whitney Museum or some other institution, stacked up as a minimal sculpture. By then, price will have completely supplanted meaning. The Treasure and the Masterpiece will have fused, the triumph of the art boom will be achieved, and we can all creep home.

—Robert Hughes

Press

Brzezinski's Zipper Was Up

And the Washington Post is caught with its facts down

As the reporter was leaving, he began to joke around and flirt with her. Suddenly he unzipped his fly.

—Washington Post, Dec. 19

In yesterday's story about Zbigniew Brzezinski, it was stated that at the end of an interview with a reporter from a national magazine—as a joke—Brzezinski committed an offensive act, and that a photographer took a picture "of this unusual expression of playfulness." Brzezinski did not commit such an act, and there is no picture of him doing so.

—Washington Post, Dec. 20



Writer Sally Quinn in Washington

"You'll just have to come out here and live with me," Quinn quotes him as saying. "That's the only way I'll do it."

The Iranian crisis was in its seventh week and OPEC was propelling oil prices to historic heights. But in that cosmopolitan capital on the Potomac, the best and the brightest were preoccupied with a more delicate matter: the open or shut case of Zbigniew Brzezinski's fly. As it turned out, President Carter's National Security Adviser had kept his zipper up, and the Washington Post was caught with its trousers down.

The brouhaha resulted from a free-form and free-floating three-part series by Post Staff Writer Sally Quinn, who is known in Washington for her withering (some would say bitchy) profiles of prominent personalities. She outdid herself with the Brzezinski series, which contains a few blatantly smirky and sophomoric passages. She began the first installment with an account of how he had used sexual innuendo to rebuff her requests for an interview. "You'll just have to come out here and live with me," he is quoted as saying. "That's the only way I'll do it."

the risk of making a fool of himself."

It was a possibly believable, if unflattering, picture of the National Security Adviser—until the final paragraphs of the first installment, when Quinn related the zipper incident. She first heard of that encounter a year ago from Clare Crawford, a former Post staffer who is now a PEOPLE Magazine Washington correspondent. Crawford had just received from Brzezinski an autographed picture taken after she interviewed him for PEOPLE. At Crawford's office, says Quinn, she thought she saw a photo that showed Brzezinski unzipping his pants. Though hazy on details, Quinn now says that she heard someone say that this was indeed what Brzezinski had done. Before Quinn's series went to press, the Post tried unsuccessfully to get the wording of Brzezinski's inscription on the picture, but the paper evidently made no further attempt to verify the episode.

When Crawford read Quinn's sensational last paragraphs, she was appalled.

Quinn never did interview Brzezinski. Instead, she pieced her story together from talks with some 50 of his friends and associates. He was depicted as a publicity hound consumed by his ambition to become Secretary of State—and more. "He likes to talk of himself as a sex symbol, to speak of the 'aphrodisiac of power,'" Quinn wrote. In one vignette, Brzezinski is described as boogeying lustily at a Washington disco, looking faintly ridiculous and "flirting with 16-year-olds." Quinn elsewhere describes him as a man "constantly torn between the thrill of making headlines and

says Crawford: "At no time did Brzezinski do anything, either physically or verbally, that was improper or that could be interpreted as improper by anyone." He had sent the picture to her inscribed: "Clare, I really shouldn't! Zbig." Brzezinski was outraged at the Post's embroidery on his little sally. He and White House Press Secretary Jody Powell went to see the President. Carter was furious. Said he: "Go ahead and deal with it."

Powell asked Crawford to the White House that afternoon to meet with himself. Brzezinski, White House Counsel Lloyd Cutler and Jerrold Scheeter, Brzezinski's press secretary, to get the facts. On Powell's summons, Post Style Section Editor Shelby Coffey arrived with a lawyer. The paper printed its retraction the next day. (Many of the characterizations in Quinn's series are true. Though



The controversial photo of PEOPLE's Clare Crawford with Zbigniew Brzezinski

known as an exemplary husband and father, Brzezinski is notoriously vain and flirtatious.

The week ended with recriminations and bruised feelings all around, not to mention a large waste of official Washington's time. Brzezinski retained a lawyer to explore the possibility of a libel suit. At the Post, Executive Editor Ben Bradlee defended the series by Quinn, who happens to be his wife of 14 months, as a "son of a bitch of a good story." He described the photograph as "very suggestive." At the White House, which has lately had frosty relations with the Post, the retraction was a delicious victory. Said one top aide: "This is the newspaper they made the big movie about [All the President's Men]. About how they had six sources for everything and how they agonized over what they would print on Watergate. I guess they're more worried about their treatment of criminals than their treatment of the innocent."

Science

Diamonds May Not Be Forever

Experiments could prove that all matter eventually decays

If a physicist says he is being sent off to a salt mine these days, he may not be joking. He could be heading 40 km (25 miles) east of Cleveland, where an 81-ton digging machine is carving a huge cavity in a salt mine 600 meters (2,000 ft.) below the ground. When excavation is completed, the cavern will be lined with synthetic rubber and filled with 10,000 tons of exceptionally pure, filtered water. Then, about two years from now, physicists will begin looking in the pool for flashes of light that could signal the decay of protons, confirm a unifying theory of nature, and end the cherished notion that matter is permanent.

Protons, which along with neutrons form the nuclei of atoms—and hence the bulk of the matter in the universe—have long been regarded as permanent fixtures on the subatomic scene, members of a family of heavy particles known as baryons. If they happened to collide with still other subatomic particles, one thing was certain: the number of baryons coming out of such interactions was always the same as the number going in. To put it in the language of physics, there was conservation of baryon number.

Now that idea is being challenged by, among others, Physicists Steven Weinberg and Sheldon Glashow of Harvard



Michigan's Vander Velde

and Pakistani Abdus Salam, winners of this year's Nobel Prize in physics for showing an underlying unity of two of nature's four basic forces: electromagnetism and the so-called weak force, which governs some forms of radioactive decay within the atomic nucleus. In carrying their work further to relate these two forces to a third—the strong force (which binds the atomic nucleus together)—they and other researchers determined that such unity requires a net loss of baryons when certain particles collide. In other words, the proton must decay into lighter subatomic fragments. By most physicists' reckonings, protons have a mean life of around 10,000 billion billion billion (10^{31}) years (more than half of them will disintegrate in that time). Thus out of 10^{31} protons, only one is likely to decay each year. The problem: how to detect that rare disintegration.

Enter the subterranean reservoir, as well as similar experiments at a South Dakota gold mine, a Utah silver mine and a Minnesota iron mine. Based on the number of protons in the

cavity's water (more than 10^{33}), Physicists John Vander Velde of the University of Michigan, Frederick Reines of the University of California at Irvine, and their colleagues figure that there should be about 200 decay "events" per year.

Each dying proton would shoot off two decay products: most likely a positron (or positively charged antielectron) in one direction, a neutral pion in the opposite. Hurting through the clear water faster than light travels through it, the fleeting particles will leave distinctive cone-shaped wakes of light, which should be detected by one or more of the 2,000 photomultiplier tubes lining the reservoir walls. Cosmic rays can produce similar flashes, but most of them are blocked by the thick layer of earth above the chamber. An occasional will-o'-the-wisp particle called a neutrino also may cause flashes. But its light pattern is different, and the detecting system should be able to distinguish it from those produced by disintegrating protons.

If proton decay is indeed detected, it will help establish a unity among the strong force, electromagnetism and the weak force. That would leave only nature's fourth force, gravity, outside the unified field theory sought in vain by Einstein in his later years. Perhaps most startling of all, it will set an absolute limit on the life of all matter. Says Physicist Larry Sulak: "If proton decay is true, then dust doesn't go to dust and diamonds are indeed not forever."



California's Reines

Milestones

BORN. To Actor Christopher (Superman) Reeve, 27; and his English fiancée Gae Exton, 28, an agent; a son; in London, where Reeve is shooting *Superman II*.

MARRIED. Michael Learned, 40, Emmy Award-winning Mama on television's *The Waltons* and her live-in companion of three years, William Parker, 33, a TV scriptwriter; she for the third time, he for the first; in New York City.

MARRIED. Angelo Rizzoli, 36, head of the Italian publishing empire that owns Italy's most widely circulated newspaper, *Corriere della Sera* (circ. 550,000), more than a dozen magazines and the international chain of Rizzoli bookstores; and Eleonora Giorgi, 26, Italian character actress who once starred in erotic films; both for the first time; in Venice.

SEPARATED. Watergate Sleuth Carl Bernstein, 35, who co-authored *All the Pres-*

ident's Men; and Essayist Nora Ephron, 38, vinegarian author of *Crazy Salad*; after 3½ years of marriage, two children.

DIVORCED. Actress Candy Clark, 32, blond confection in *American Graffiti*; and Marjoe Gortner, 35, child evangelist turned actor; after 20 months of marriage, eleven of them spent apart; in Los Angeles.

DIED. Ann Dvorak, 67, blonde film star of the '30s and '40s who debuted as Paul Muni's sister in the 1932 gangland classic *Scarface*; of cancer; in Honolulu. The smoky-voiced Dvorak was best known for playing suffering, hard-luck women opposite such stars as James Cagney (*The Crowd Roars*), Dick Powell (*College Coach*) and Spencer Tracy (*Sky Devils*).

DIED. Murray Gurfein, 72, federal judge who rejected the Nixon Administration's 1971 suit to block the New York Times' publication of the Pentagon papers; of a heart

attack; in New York City. An affable, erudite New Yorker, Gurfein graduated from Harvard Law School in 1930 and became a chief aide to Thomas E. Dewey, then special state rackets prosecutor, later New York's Governor. He served as one of the prosecutors at the 1946 Nuremberg war crimes trials, practiced law privately for 25 years, and was nominated by President Nixon as a judge for a U.S. district court in New York in April 1971. Two months later, in the most celebrated decision of his career, he ruled against the Government in its attempt to suppress the publication of the Pentagon papers, a highly classified report detailing U.S. involvement in Viet Nam. Its publication, wrote Gurfein, "would [not] vitally affect the security of the nation, except in the general framework of embarrassment. A cantankerous press must be suffered by those in authority in order to preserve freedom of expression and the right of the people to know."

Law

The Queen of Death Row

Georgia's Patsy Morris and others work to save the condemned

There was one case, she remembers well, when she was turned down 21 consecutive times. But Patsy Morris is not one to take rejection personally, and she finally got an American Civil Liberties Union lawyer to say yes. Small wonder she runs into resistance: what she wants is 200 to 400 hours of someone's time and work for no pay. The people she is telephoning are lawyers: her "clients" have all been condemned to death. Thanks in large part to Morris' more than two years of dedicated work, only three of Georgia's 89 death row inmates lack a lawyer, at the moment, to help pursue every available legal remedy in the quest to avoid the electric chair.

Dubbed the Queen of Death Row by one appreciative convict, Morris, 49, a mother of four and a staunch opponent of capital punishment, is death penalty coordinator for the Georgia affiliate of the A.C.L.U. She normally does not start hunting for lawyers until after the defendant has been convicted and his automatic appeal has gone to the state supreme court. Once that appeal has been heard, the state no longer has an obligation to provide a lawyer, leaving most of the condemned on their own if they wish to seek post-conviction remedies in state and federal courts; most lack the money to hire their own attorneys. If the prisoner pursues the entire series of possible petitions, appeals and rehearings, the process can take anywhere from five to six years.

Persuading capable lawyers to go along on so lengthy a legal journey—an "exhausting, self-lacerating investment of time and energy," as the A.C.L.U.'s Henry Schwarzschild describes it—is no easy task. "It's so desperate you take whom you can get," explains Morris. Indeed, the shortage of qualified attorneys threatens to overwhelm Morris and others like her because the nation's death row population, now totaling some 570, is climbing by almost 100 people a year.* Eighty percent of the prisoners mark their time in the states of the Old Confederacy. Georgia has the largest number per capita in the country. While

*The rulings that triggered such growth were three 1976 U.S. Supreme Court decisions holding new discretionary capital punishment unconstitutional in Georgia and in two other states—to be constitutional because they provided adequate guidelines to prevent arbitrariness. At that point, almost a decade had elapsed since a convict had been put to death. Since then, three have been executed, two of whom refused to cooperate in lawyers' efforts on their behalf. As appeals for others run their course, there could be more executions.



Electric chair in a Georgia prison

More executions may be coming.

most welcome legal help, there are exceptions: in Georgia, convicted murderer Jack Potts, who says he is in severe physical pain, pleaded last week that lawyers drop his appeals and let him die.

Morris begins her quest by asking the trial lawyer to remain with the case. If

that fails, she calls attorneys who are her personal friends, then friends of friends. "Literally every attorney I know in Georgia who does any criminal work at all has a death case," she says. Usually Morris is forced to seek out-of-state lawyers for petitions to the U.S. Supreme Court, often with the help of the N.A.A.C.P. Legal Defense Fund, the New York City-based civil rights group that has led the legal assault against capital punishment since the mid-'60s. The fund's lawyers, themselves, represent about 50 prisoners nationwide.

Morris' work on a case does not end when a lawyer agrees to take it. Checking off a master list on which she keeps track of the 89 Georgia cases, she regularly calls each attorney to update her records and offer encouragement. Since some of her recruits are not well versed in death penalty work and related issues of constitutional law, Morris, though no lawyer herself, also provides assistance by collecting documents and asking leading questions. She reproduces and mails relevant material to the lawyers and continuously monitors cases in which the state seeks the death penalty and fails to get it. She has, in fact, learned so much that she has repeatedly testified in state courts on studies showing greater use of the death penalty when the victim is white.

Morris shares the limelight in the Georgia death penalty struggle with Millard Farmer, 45, who heads Team Defense, a money-starved Atlanta organization that represents about 10% of the state's death row prisoners. As his three criminal contempt citations indicate, Farmer pulls no punches in the courtroom. Once, while defending a black charged with killing a white police chief, Farmer's effort to have an impartial judge preside over the trial led to the disqualification of five judges. The prosecuting attorney was so upset that he burned one of his law books. "I don't have a judge," he exclaimed. "I figure if I don't have a judge, I don't need a law book!" Despite Farmer's efforts, his client wound up on death row.

Less flamboyant than Farmer, Morris is no less intense. Before her 8:15 a.m. arrival at her Atlanta office, she puts in an hour on the telephone at home; most weeks she works six days. Her commitment to the struggle against capital punishment is a natural outgrowth of years spent in the civil rights movement with her husband John, an Episcopalian priest who works for the U.S. Health and Welfare Department. Those familiar with her work insist that she plays a unique role in the death penalty fight. Says Jack Boger, an L.D.F. staff attorney, "I wish there were someone like Patsy Morris in every state." ■



Death Penalty Coordinator Patsy Morris in her Atlanta office
Asking lawyers for an exhausting investment.



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Religion

Cracking Down on the Big Ones

The Pope attacks Hans Küng, his church's prickliest theologian

The dramatic news broke in an offhand manner. After a routine conference at the Vatican last Tuesday, Press Officer Romeo Panciroli stood to read what was expected to be some minor announcement. Instead, he intoned that the Congregation for the Doctrine of the Faith "is constrained to declare that Professor Hans Küng, in his writings, has departed from the integral truth of Roman Catholic faith, and therefore he can no longer be considered a Catholic theologian or function as such in a teaching role."

In Vatican terms that meant that Küng, 51, must stop teaching Catholic theology at West Germany's University of Tübingen. It is the harshest action

had questioned another top theologian, Edward Schillebeeckx of The Netherlands. Panciroli said the juxtaposition of the two events was coincidental, but that sidestepped the main point. As one Vatican official put it privately, "John Paul II is cracking down, and he is picking the big ones first." To other observers in Rome, the only question is: Who will be next?

John Paul is seeking to establish the certainty of faith that in the eyes of many Catholics has been confused and endangered by all the liberal theological theorizing since Vatican II. In the effort to define clearly what is and is not Catholic doctrine, the isolation of Küng is particularly important because he has publicly questioned or denied outright the creed that Christ is eternally "one in substance" with God the Father, the belief that the church is based on an apostolic succession that goes back to St. Peter and the sacrificial nature of the Mass. Küng's doubts are influential, as several of his books have become bestsellers.

What irritated the Vatican most of all was the topic of his 1970 book *Infallible? An Inquiry*. Debate over infallibility usually focuses on the First Vatican Council's decree granting the Pope personal infallibility as a teacher under certain circumstances, whether or not he has any "consensus of the church." But Küng goes beyond that, contending on philosophical grounds that no church teaching can ever be infallible—whether derived from Popes, creeds, councils or the Bible itself. Because of the Schillebeeckx trouble, the Vatican would have preferred to strike at Küng next year. But unlike The Netherlands' Johannes Cardinal Willebrands, who defended Schillebeeckx, West Germany's bishops collaborated with the Vatican in the crackdown on Küng and in fact pressed for early action. Bishops in other nations have also privately asked the Vatican to act. Küng has steadfastly refused to go to Rome for questioning, arguing that the entire secretive process is unfair. In 1975 the doctrinal congregation issued a *monitum* (formal warning) against certain of his ideas.

Küng was on a holiday at his home village of Sursee, Switzerland, when he got the news. Returning immediately to Tübingen, he declared himself "ashamed of my church." The next day, when he arrived for a scheduled university lecture normally attended by 250, the crowd of 1,000 had to be moved to the main auditorium. After receiving an ovation, plus a large bouquet of red carnations, he spoke about the case. "Through this pre-Christmas cloak-and-dagger action, the church

defames and discredits its own theologians, not just myself but innumerable others," he said to cheers.

As the Tübingen air filled with handbills and shouted declarations, theologians began to rally in Küng's defense, both in Germany and the U.S. Most major West German newspapers backed Küng, though the influential *Frankfurter Allgemeine Zeitung* accused him of "self-exaltation and contempt for others."

Practically speaking, the Vatican decree presents Tübingen University with a dilemma. Whether or not Küng is a Catholic theologian, he is a civil servant with tenure at a secular, state-run school. The Vatican carefully checked its legal standing under the concordat it has with the German government, and believes that professors must have church endorsement to teach Catholic theology. On that basis it claims the power to have Küng removed as Catholic professor of dogmatics.



Pope John Paul II during U.S. tour

Deciding what is, and is not, faith.

Responsibility for the actual ousting of Küng will fall directly upon Bishop Georg Moser of Rottenburg-Stuttgart.

Under the Vatican ruling, Küng remains a priest and can teach at Tübingen or elsewhere and can publish any opinion he chooses, as long as he makes clear that what he teaches or writes is not Catholic doctrine. But he told TIME: "I have no intention of going to another faculty, and will resist all attempts to move me." He plans to argue that whatever the concordat says, the rules regarding academic freedom in the national constitution of West Germany guarantees his job. That course of action foreshadows a long, bitter and public struggle between Father Küng and the German bishops. ■



Hans Küng in Tübingen study last week

Acting as a theological matador.

against any important scholar since the era before the liberalizing breezes of the Second Vatican Council, and one that was explicitly endorsed by Pope John Paul II. During the Vatican Council Küng was an adviser to the West German hierarchy. His moderate reformist concepts won the admiration of, among others, the Polish bishop who became John Paul II. But since the council, Küng has more and more acted as a kind of theological matador, waving red flags in front of the hierarchy, questioning doctrines central to the Catholic faith and issuing personal criticisms of Popes.

The disciplining of Küng for "contempt" of church doctrinal authority came only three days after the Vatican

Religion

American Preaching: A Dying Art?

Seven star preachers suggest the end is not in sight

The Word became flesh," says John's Gospel of the incarnate Christ of Bethlehem. In Christian sermons before some 75 million Americans this week, words about Christ will become flesh in the person of the preacher. Through their strange and marvelous craft, Christianity has been transmitted and reshaped for every age since Christ himself went "preaching the Gospel of the kingdom."

For many American churchgoers, though, a Sunday sermon is something merely to be endured. Many preachers and parishioners alike think that passionate and skillful preaching has grown rarer and rarer in individual congregations in the postwar years. The chilling of the Word is a major contributor to the evident malaise in many a large Protestant denomination these days.

For Roman Catholics, the sermon has not been as important, but rather a kind of spiritual hors d'oeuvre before the Eucharist. Otherwise, as Catholic Columnist Rick Casey explains, priests might become mere "performers" like Protestants, and "upstage the Eucharist." In Protestantism, however, the sermon is virtually raised to sacrament. Even if all believers are "priests," they still need expert guidance. Said Theologian Karl Barth, "Through the activity of preaching, God himself speaks." As a result, lackluster sermons strike at the heart of Protestant religion.

One man tempted to think that American preaching is a dying art is George Plagenz of the *Cleveland Press*, who writes an oft acerbic "review" of a local church service each week, complete with restaurant-type ratings. Instead of cuisine or ambience, he rates worship service, music, sermon and friendliness, granting up to three stars in each category. In nearly two years Plagenz, who listened to many pulpit greats a generation ago, has found only two preachers worth three stars.

Plagenz blames this in part on the backwash of the 1960s. "A lot of men went into the ministry for reasons other than preaching. They were interested in social action, so now we're stuck with them." It seemed only natural that in 1969 *The Pulpit*, venerable sister magazine of the *Christian Century*, renamed itself *Christian Ministry*.

Charles L. Allen, folksy pulpit patriarch of Houston's First United Methodist Church, thinks that seminarians' lack of interest in preaching was largely due to the emphasis on social impact encouraged by Martin Luther King Jr. The irony is that King, "one of the greatest pulpit men of all time," moved his countrymen as

much with words as with deeds. "A lot of younger preachers at the time didn't see that," says Allen.

Many preachers devote far too little time to research, reading and writing in sermon preparation. As a result their poorly constructed, poorly thought out addresses wander from point to point, and listeners' minds wander too. Lack of effort is not necessarily a sign of sloth. Ministers increasingly are expected to bear heavy loads of counseling and administration that nibble away their time. One rule of thumb is to spend "an hour in the

human documents. Centuries ago, even the heretics believed the Bible was the Word of God; they were just wrong in the way they interpreted it."

Princeton Theological Seminary, considered among the best Protestant seminaries in training preachers, requires three courses on the subject. One covers enunciation, pace, voice production, posture and similar techniques, and is taught by a layman trained in speech. A second analyzes the construction of model sermons from the past. The student learns to mine Bible commentaries, boil his message down to a single sentence, then write out a well-organized sermon. In the final course, students in groups of twelve deliver sermons and criticize one another's performances.

The graduates face a formidable challenge. Churchgoers today are "theologically illiterate," says Lutheran Minister Richard John Neuhausen in *Freedom for the Ministry*. A lot of things have to be explained rather than taken for granted. (A recent *Christianity Today*-Gallup survey showed that while 84% of Americans believe the Ten Commandments are still valid, more than half could not even identify five of them.) Preachers have less time in which to do the explaining too. Says Donald Macleod, who has taught homiletics at Princeton for 32 years: "The minds of listeners are geared to TV and the 30-second commercial."

While Macleod insists on an 18-minute maximum, in former times sermons would run more than an hour. Ministers commanded an authority that would be unthinkable today. They could give full play to *docrē, delectare, flectere* (to teach, to delight, to move), the three purposes of preaching once listed by St. Augustine.

The most famous sermon ever preached in America was Jonathan Edwards' "Sinners in the Hands of an Angry God," which compared the sinner's plight to "a spider or loathsome insect" held over a fire. When Edwards preached, all New England shook in its boots. But the so-called Golden Age of Preaching did not come until the 19th century, with stem-winders like Henry Ward Beecher of Brooklyn and Phillips Brooks of Boston. Clyde Fant of the First Baptist Church in Richardson, Texas, a former homiletics teacher, notes that even then folks found fault with the state of the pulpit. "Where are the good preachers?" asks Fant. "Right where they've always been—few and far between." By most accounts, the 20th century giant was Harry Emerson Fosdick, who died in 1969.

Today the pendulum is swinging back



18th century Preacher Jonathan Edwards
All New England shook in its boots.

study for each minute in the pulpit." But many modern preachers say they are lucky to manage half that.

The problems are compounded when the clergyman is a liberal in theology, which may mean that he is uncertain about the importance and accuracy of the Bible or even about the urgent need for biblical teaching. Seminary instruction in homiletics (the techniques of sermon preparation) is generally good. But to conservative critics this work is often undermined by Bible faculties. "Seminarians are not sure God is speaking in the Bible," says James Boice of Philadelphia's Tenth Presbyterian Church. "The professors think of the Bible as a collection of

in favor of preaching. When search committees are scouting about for a minister to hire, the top things they are likely to look for are as an old adage puts it, 1) Preaching 2) Preaching 3) Preaching Right now there are around 200,000 Protestant preachers in America. Any one presuming to choose the best would be guilty of the sin of pride, not to mention some shortage of charity and common sense. The following seven stars of the pulpit selected by TIME's editors and correspondents across the country are at the very least proof that many splendid practitioners of the ancient art of preaching are still at large in the U.S. Only preachers who nurture a congregation week by week, year after year, were considered, thus ruling out famous evangelists like Billy Graham and TV personalities. Those chosen had to convey, along with solid content and skillful delivery, the sense of overwhelming conviction that is one of the golden keys to great preaching.

Like poetry, preaching is always a mystery. Each Sunday brings the danger of failure, and with that the question of potential impact. In his intriguing little book on preaching, *Telling the Truth*, Novelist and sometime Preacher Frederick Buechner describes the magic moment when the minister steps into the pulpit. In the pews sit a college student there against his will, a banker who twice contemplated suicide that week, a contractor on the take, a pregnant girl who feels life stir within her, a teacher hiding his homosexuality. "The preacher pulls the little cord that turns on the lectern light and deals out his note cards like a riverboat gambler. The stakes have never been higher. Two minutes from now he may have lost his listeners completely to their own thoughts, but at this moment he has them in the palm of his hand. The silence in the shabby church is deafening because everybody is listening to it. Everybody is listening, including himself. Everybody knows the kind of things he has told them before and not told them, but who knows what this time, out of the silence, he will tell them?"

David H.C. Read, 69, Madison Avenue Presbyterian Church of New York. "The worst sin is dullness," says Read, a transplanted Scotsman and British army chaplain who is never dull. Still, he disapproves of the whole idea of "princes of the pulpit," and he deplores the fact that people go to church to hear a celebrated preacher rather than to worship. But if there is any one prince of the Protestant pulpit these days, it is Read.

A typical Read sermon may begin with a quote from Humpty-Dumpty to Alice and turn on some apt lines from Samuel Johnson or Shakespeare as it wrestles with a timeless (but contemporary) problem



Presbyterian David Read on visit back to Edinburgh
Always leave the listener in the presence of God.

using the perspectives of the Bible. "Scholarly content is terribly important," Read says, "but it shouldn't intrude." Read's material is solid enough to make him one of the few preachers whose collected sermons can be read as literature—and at the same time enjoy a respectable sale in book form.

Read is not merely elegant and literary; his words carry authority. So does his silver-haired, kinetic presence as he hunches forward in the pulpit, chopping the air with one hand to emphasize a point or flinging phrases impiously out over the congregation. What he manages best of all is to be civilized and witty yet ded-

Baptist E.V. Hill in Los Angeles: TV can hardly compete



icated to a faith that many worldly and successful men find hard to maintain. He comes at problems mind first, deals with them in terms that sophisticated people understand, always giving the devil his due, never glossing over the chaos and confusion. But through his thought runs a strain of deep feeling and faith capable of convincing others. One of Read's finest sermons, called "When I Stopped Explaining Human Suffering," notes that he knows by heart, but has stopped offering, all the standard religious ways of justifying God's apparently harmful ways to man, of answering the seminarian's eternal question, "Why did this happen if God is love?" Read's passionate conclusion: "I believe the Christian Gospel not because it offers the best explanation of human suffering, but because it gives us the strength we need to win through." All of which illustrates Read's own suggestion that a sermon must be commanding rather than chatty, and that however urbane, it should finally "leave the listener in the presence of God."

Edward (E.V.) Hill, 46, Mt. Zion Missionary Baptist Church in central Los Angeles. E.V. Hill does not have to worry about competing for attention with television—or anything else. There is hardly a gifted teacher, TV actor or stand-up comic in America who can surpass the show that Hill puts on every Sunday before 1,400 enthralled parishioners in the black ghetto of Los Angeles. Hill is a man of a thousand voices, and all of them can range from a whisper to a raspy roar. It is the folly of mankind, especially as practiced by the folks in his congregation, that Hill dramatizes with a gift for caricature reminiscent of Geoffrey Chaucer limning the qualities of his sinful pilgrims. In devastating yet genial parody, Hill can do a drunken black and a policeman, a young couple falling in (and out of) love, wives bearing grudges against husbands, husbands tired of wives. From time to time he'll call out, "Are ya'll listenin' to me?" or "Help me now!" or "Help me, Holy Ghost!" The crowd joins in until the church hums with sound.

But just when it seems that this is pure show biz, Hill will lay his theme on the people the need for agape, or pure, unselfish love. "I can't be bothered with my old mother," he quotes a parishioner. "I can't be bothered gettin' married. I can't be bothered with my husband." Each "bothered," thunderously drawn out, reverberates with pride and selfish isolation—and the boredom that he sees as a curse of the modern world. "Sin won't stop developing," he notes. Boredom and selfishness are merely the devil's latest tricks. "Life lived at its best is full of daily forgivin' and forgettin'."



Methodist Edward Bauman in Washington

A matter of preaching on tiptoe.

Hill concludes: "It's no trick to love the lovely. It takes a child of God to love the unlovely."

Hill's "hells" are not just for other people. As he holds forth, a chunky figure in white billowing robe, mopping his brow from exertion, or telling a funny and touching story about how he and his wife once avoided divorce by going to an ice show, it is clear that he is down there, an Everyman in the street, wrestling with the devil himself. Hill brought his earthy style from Seguin, Texas, where he was raised among Depression sharecroppers. From his freshman year at Prairie View A & M University, where he earned a degree in agriculture in 1955, he paid his way by preaching. What he calls his lifelong "romance with the Word" is catching. In his almost two decades at Mt. Zion, his congregation has produced 74 preachers.

Edward W. Bauman, 52, Foundry United Methodist Church, Washington, D.C. "Someone once told me I always preach on tiptoe," says Bauman. "I consider that the greatest compliment I've ever received." It was a Boston University professor who first trained the slender, lantern-jawed Bauman in what has become his trademark in the pulpit: the importance of conveying joy and enthusiasm. "Preaching combines the skills of a writer and an actor and an artist," he notes.

Bauman gets up every day at 6 for prayer and yoga before tackling the daily chores. He outlines a whole year's sermons during a two-month summer "vacation" and admits that he reads and jots down ideas and quotes for sermons constantly, like an enquiring reporter. To preach effectively he has found he must remain close to his 1,400-member congregation. The outpouring of affection from members after worship each

Sunday proves he has been successful.

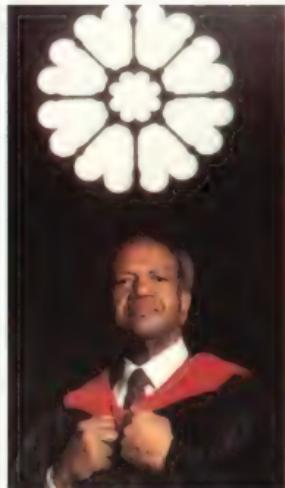
"Preaching is one of the great joys of my life," Bauman declares. "The reason is that I believe what God did through Jesus Christ is the most important thing that ever happened in human history." Before coming to Foundry 15 years ago, he taught at Wesley Theological Seminary and American University, where he originated a TV series on the Bible, "Bauman Bible Telecast," seen in 50 cities. In this TV-minded age, Bauman feels, it is doubly important to provide illustrations in sermons. He notes that parables were Jesus' favorite form of teaching. Bauman is a theological liberal whose sermons are larded with quotes and examples from writers like C.S. Lewis and Thomas Merton. But he notes that America "has been on a head trip" since Franklin, Jefferson and the Age of Reason, and he thinks, "we have to remember to get in touch with our feelings."

In one of his finest recent sermons Bauman spoke of ways to deal with personal grief, taking as his text Jesus' raising of Lazarus (*John 11:17-44*), and touching on Lewis' book about his own wife's dying. Finding one's way back to new hope, he concluded, is always "frightening." He paused, then added in a rising voice, with overwhelming conviction, "but wonderful!" That was preaching on tiptoe.

Franklin Pollard, 45, First Baptist Church of Jackson, Miss. Pollard is very much in the evangelistic mainstream as preacher in a big church in the Southern Baptist Convention, the nation's biggest denomination. He was raised in a Texas shack, one of seven children of a poor oil-field worker. "We had three rooms and a path," he likes to say of the primitive conditions in his childhood. But though he has a ready supply of down-home anecdotes, he shuns the kind of cornpone and bombast sometimes associated with evangelical pulpits. Pollard commands attention instead with infectious charm and an ingratiating, please-understand urgency, communicated by eyes and face as he

leans out over the congregation. Since he finds that laymen always make the same two complaints about sermons (too long, too short on humor), he tries to oblige, honing his Sunday morning sermons to 22 minutes, often putting them on tape cassettes for memorization.

Though his church stands across the street from Mississippi's state capitol and his congregation includes the current Governor and three of his predecessors, Pollard's pulpit does not emphasize pol-



Brooklyn Baptist Gardner Taylor

"He whispers it and then he shouts it."

ities. He does speak out occasionally about racial equality and has always insisted on an open membership policy, though First Baptist says it has no record of how many members are black. Pollard sees the U.S. in trouble, and one of his persistent themes is how to save American democracy in a hostile world. He is likely to point out that "the best investment of all is the missionary investment," after citing figures showing that the average overseas conversion to Christianity costs just \$654 per convert—as opposed to the cost of \$200,000 to kill a single enemy soldier in World War II or \$500,000 per kill in Viet Nam. It takes character to preserve freedom, he insists. The Ten Commandments, in fact, are ten principles from God about how to keep freedom.

Pollard delivers three sermons a week, teaches a Bible class for some 500 prominent laymen every Tuesday, and prepares both a TV and a radio program weekly. "But if sermons are not drawn directly from the Bible," he says firmly, they're "just speechmaking." With all the compet-



Southern Baptist Franklin Pollard in Jackson, Miss.

The Ten Commandments as a way of saving freedom

Religion

ing forms of commercial art and entertainment today. Pollard figures, the continuing demand for preaching "can't be explained in any other terms than that God is using it."

Gardner C. Taylor, 60, Concord Baptist Church of Christ, Brooklyn, N.Y. "He has a voice that sounds like God," an admiring fellow preacher says of Taylor. To anyone who has listened to a Taylor sermon, the judgment does not seem far off target. Taylor's voice is deep and apparently inexhaustible. Working variations on a biblical theme ("Create in me a clean heart, O God"), he artfully circles around his subject, now lulling the listeners into serenity, now rising to majestic sincerity in stately cadences that overwhelm as much with their sound as with their meaning. Taylor says that for him a sermon is a journey. "I like to start with a cool introduction to suggest what I'm going to say, without giving away the secret." But when the secret is out and the climax is reached, the key biblical phrase that Taylor wants no one to forget is engraved in the congregation's memory.

He has a gift for the short, sharp, descriptive phrase. The Apostle Paul appears as "a deformed wanderer with the label of Tarsus on his baggage." Lutheran Richard John Neuhaus marvels at Taylor's way of playing with a single word: "He whispers it and then he shouts it; he pats, pinches and probes it," each new sentence adding a shade of meaning. Taylor, a veteran community activist and a nationally influential churchman, has been at Concord Baptist for 31 years. He is widely regarded, with justice, as the dean of the nation's black preachers.

Peter J. Gomes, 37, the Memorial Church at Harvard University. A quintessential New England preacher who speaks like a Brahmin, Gomes is a board member of the Pilgrim Society in Plymouth, Mass., his famous home town. He happens to be black. Gomes (rhymes with homes) notes wryly that his parents raised him in "a rather backward environment in which language still had some validity." The Plymouth schools thereafter drilled him in memorizing large chunks of great prose and poetry, a skill he retains.

As a preacher to students, he constantly searches for "the judgment of history



Harvard University Minister Peter Gomes preaching in Ohio
Searching for the judgment of history upon this place and this moment.

upon this place and this moment. We're very unlikely to uncover anything new. It's a conceit of our age that we are the first people who ever encountered anxiety or fear or guilt." When Gomes preached on one of the year's hottest campus issues, divestiture of university investments in firms active in South Africa, he did not dwell on the politics. Instead, he spoke of the irony that the dispute underscored: the crying need for firm moral convictions in a time when universities are celebrating their "freedom from morals, values and virtues."

Gomes' congregation necessarily changes with each graduation. He is naturally as concerned as his student listeners about attitudes toward the future. He notes: "What are you doing next year?" can be, and often is, regarded as a hostile question." Gomes makes cheerful academic jokes (on Ascension

Day: "It is the Lord who graduates") and will quote Ogden Nash or Woody Allen as freely as Crisis Theologian Reinhold Niebuhr. But he offers no easy optimism or simple uplift to his young charges. "Human progress is a foolish myth of epic proportions," Gomes insists. "It is the fantasy of our age and time. Human perseverance in the face of human folly, it is that of which the kingdom of heaven is made."

Elam Davies, 63, Fourth Presbyterian Church of Chicago. In a time of laid-back preaching, Davies is a successful anachronism: a consummate, self-conscious and often florid dramatist of the pulpit. A transplanted Welshman with volatile eyebrows and a powerful Thespian gift, he is not a large man, but he fills the brooding gothic gloom of the Near North Side church with his resounding voice, as the late Dylan Thomas might if he were reading Yeats, or Richard Burton would if playing Hamlet. Like the poet Thomas, Davies grew up in Swansea, Wales. He claims that Burton patterned his style on Welsh preachers, the only regular actors on display during his youth.

Though Davies' mother had a personal experience of Jesus—who talked to her when she was polishing the brass—Davies at first set out to be a lawyer. He switched to his present vocation only after working his way through the philosophical skepticism of the logical positivists rampant at Cambridge University when he was there. He arrived in the U.S. for good in 1952, and has preached in Chicago for 18 years. As a preacher, he tries to translate the Gospel into the idiom of today, so that "the Bible comes alive and the Christian faith is made believable." One way that Davies makes the Bible come alive during his sermons is by gesturing, mimicking and acting out roles with the skill of a Marcel Marceau. But he finds it "appalling and tragic" that present-day idiom itself sometimes becomes the Gospel, as when "sensitivity training is mistaken for the work of the Holy Spirit." Davies' rich and mostly middle-aged congregation regard him as a star performer and a provocative mind. For his part, he likes to quote Karl Barth, who once described preaching as "an attempt to give God's answers to the questions people raise." Most of those answers are the same for rich and poor alike.



Welsh-born Elam Davies in Chicago's Fourth Presbyterian Church
A voice that resounds like Richard Burton's playing Hamlet.

People



In court she spoke of him as "Mr. X." Privately, beautiful Soraya Khashoggi, 38, ex-wife of Saudi Billionaire **Adnan Khashoggi**, confided to the judge at an Old Bailey trial of three detectives accused of blackmailing her, who the Member of Parliament was with whom she had enjoyed "more than a friendship." He turned out to have an X-ellent name: **Winston Churchill**, 39, grandson of Britain's wartime Prime Minister. Since young Winston at the time was the Conservative Party's junior shadow defense minister, the disclosure raised questions. Prime Minister **Margaret Thatcher** squelched them by informing the Commons: "I am satisfied there has been no breach of security in the public service." Was Churchill's political career imperiled? Said another M.P.: "If the criterion for this place is that you haven't committed any infidelity, then there would be a hell of a lot of by-elections."

It's called "30-pull" in the San Francisco 49er playbook. The quarterback spins and fakes to the fullback who is following a pulling guard and tackle. But the ball is handed to **O.J. Simpson**, who takes it up the middle. But there was a difference last week as the 49ers called 30-pull late in their season finale with Atlanta: Simp-



Soraya tree-trimming last week, with no decoration for Winston (inset)

son was carrying the ball for the last time after eleven years of professional football and a thick sheaf of records: most yardage in a single season; most career 200-plus-yard games (six); most consecutive 100-plus-yard games (seven).

Tired of driving to work bumper to bumper? Envious of those zigzagging Corvettes, Porsches and Ferraris that

smoke past you in the fast lane? Well, cheer up, bunkies. Last week on a dry lake bed at California's Edwards Air Force Base, Hollywood Stunt Man **Stan Barrett**, 36, drove a car at 739.666 m.p.h. to become the first person ever to break the sound barrier on land. Barrett's car will not be in showrooms quite yet. The three-wheel vehicle was powered by a rocket engine as well as a Sidewinder missile to throw it into super-

Driver Barrett relaxing beside his record-breaking car



sonic overdrive. In EPA terms it logged .01 m.p.g.

"Daddy, put on your running shoes," suggested four-year-old **Michel Trudeau** logically. After all, **Pierre Trudeau** had just told sons **Michel**, **Justin** and **Sacha** and the rest of Canada something that had been anticipated since Conservative Prime Minister **Joe Clark**'s government lost a vote of confidence two weeks ago. With a general election scheduled for Feb. 18, three-time P.M. Trudeau was ending his brief political retirement to lead the Liberals once again. Before the campaign gets into gear, there is another urgent party matter: Christmas birthdays for both of Michel's brothers: Justin will be eight, Sacha six.



Unretiring Candidate Trudeau

On the Record

Walter B. Wriston, Citibank chairman, joining a coalition of chief executives who hope to increase business influence in New York: "In Pittsburgh, you can get 20 guys in a room and build the Golden Triangle. In New York, you can't get 20 guys to fix a parking ticket."

Robert E. Kaufmann, Harvard associate dean, on the university's \$9,000 tuition, following one of the largest jumps in fees in 343 years: "We don't know if the increase will meet strong student resistance or not."

Show Business

Midler: "Make Me a Legend!"

On Broadway and in the movies, Miss M is packing 'em in

What's that angry green parrot doing on top of that mound of cotton-canary hair? And who is that in such an enormous wedding dress, balancing the cake, complete with bride and groom, on top of her head? Isn't the answer obvious by now? She is, as she announces in the opening number of her new Broadway show, "the big noise from Winnetka." She does not, in fact, come from Winnetka, but Bette Midler is the biggest noise—and one of the biggest talents—of the '70s.

Those who do not yet know about her soon will. Hollywood tom-toms are all but nominating her for an Academy Award for her first screen role, in *The Rose*. The movie, the story of a doomed '60s rock star, is one of the few commercial hits of the fall season, and enthusiastic word of mouth is proving more potent than any advertising. Meanwhile, for those who can make it to Broadway, the lady's other, outrageously funny side is on view at the Palace Theater in *Bette! Divine Madness*. It is the hottest ticket in Manhattan.

Describing a tour of Europe, she lights upon the Queen of England, "the whitest woman in the world. She makes all the rest of us look like the Third World." Where, Bette asks sweetly, with only the faintest hint of bitchery, does Her Majesty get her hats? Pretending to sew, she conjures up a whole line of milliners in the basement of Buckingham Palace, threading needles for their monarch at that very moment. Then, she notes, there is that noble equestrienne, Princess Anne. How would Anne answer if someone asked how old she was? Bette wonders. Without a word, she provides the answer: very slowly, like a trained horse at the circus, she taps out the number with her right foot.

Those are the clean jokes—just about all of them. Most of the others range from very dirty to dirtier still, and all of them are quite funny. She does not take them seriously, and neither does the audience. She giggles instead of leers, and there is no feeling, as there is in most such humor, that someone is being put down.

Most of all she laughs at herself. At 34, she is not a pretty woman, but she turns even that to advantage. Some of her jokes are about her ample breasts: "Two of the reasons why I did not become a ballerina." A couple are about the rest of her body. Sitting down, she notices that her upper arm is still moving when the rest of her has stopped. She jiggles it and—incredible sight—her thighs, legs and neck too. "Isn't it terrible," she sighs, "that when you hit 30, your body wants a life of its own?"

She even laughs at her own pretensions to stardom. She announces that she is "a screen star, in the tradition of Shirley Temple, Liv Ullmann and Miss Piggy." When the audience good-naturedly boos one of her jokes, she exclaims: "The crowd turns on the diva. [Pause] But the diva doesn't care!" Her singing, much of it done with three saucy young women called the Harlettes, is no threat to Streisand, or even Minnelli. But it bursts with feeling—almost



Bette making divine madness
Like Shirley, Liv and Miss Piggy.

too much for mere lyrics to express.

The singer she plays in *The Rose* has often been compared to Janis Joplin, who died of an overdose of drugs in 1970. Though Midler admires Joplin, the rock singer in the film is, in many respects, Bette Midler. Rose grew up in warm Florida. Bette in balmy Hawaii, and they were both unhappy. In Bette's family, as she remembers, there was always a lot of angry bellowing from her father, a house painter for the Navy. Even today Fred Midler has not come to see one of her shows, a source of obvious pain to his daughter. But Bette had a hardship even Rose didn't have: hers was the only Jewish family in a neighborhood of Samoans.

Many people might long for a life in Hawaii. Bette was determined to get away, and in 1965 she did, arriving in Manhattan with the intention of becoming an actress. For her it was easier to

make it as a singer, however. She joined the chorus of *Fiddler on the Roof* and eventually moved up to play Tevye's eldest daughter. When she left *Fiddler*, she did a cabaret act at the Improvisation club and, a short while later, at the gay Continental Baths. That is where the Divine Miss M, as she called herself, was born: the primarily homosexual audiences encouraged her free-spirited outrageousness. "They gave me the confidence to be tacky, cheesy, to take risks," she says. "They encouraged my spur-of-the-moment improvisations."

Then in 1972 something equally important happened: she met Aaron Russo, 36, a New Yorker and a rock promoter. He yelled like her father, she says, and he was her lover for six months, her manager for six years, and her Svengali all the time. "Make me a legend!" Bette told him, and he did, or almost did. Like Alan Bates, who plays Rose's tyrannical manager in the movie, Russo dominated Bette's life and her career. In terms of the job his advice was impeccable. Until *The Rose*, he turned down every film role that was offered, waiting for the one that would let her shine brightest. People laughed at the time, but on her European tour last year, he even demanded that she be paid in gold. He was turned down, but the idea was far from laughable. Gold has since more than doubled in value.

But the pair's fights became almost epic in scope. "I liked a good fight like he did," Midler recalls. "But I didn't like anyone to fight back, and he fought much harder than I did." She left him and fled to Paris for three months in 1974, only to return for several more rounds. The knockout came last February, and Bette dropped Russo as her manager.

For the past three years Bette has been living with Peter Riegert, 32, the actor who played Boon, the social chairman of Delta Tau Chi, in *Animal House*, and the hero's best friend in *Head over Heels*. Though they live in Los Angeles, they have rented a loft in Manhattan for their trips East. Calm and low-key, Riegert seems to be the grounding for Bette's electric charge, her steady influence. Onstage, says Midler, she is "a character without fear, who has no problem being vulgar or outrageous. But in my private life, I'm one of the most paranoid persons in the world."

At one time, she admits, she might have gone the way of Rose or Janis Joplin. She smoked too much grass and she drank too many stingers. No more. Bette has managed to divide herself into two women, the one who prances onstage in a parrot hat and the one who enjoys a very quiet life with her boyfriend. Like Rose and Janis, she knows where she has been. But unlike those pathetic victims of their own talent, she also knows where she is going.

—Gerald Clarke

Books

New Act for the Circus Master

SMILEY'S PEOPLE by John le Carré; Knopf; 374 pages; \$10.95

This has been a vintage year for spies, real and imagined. In that second realm of entertainment, terrorists stalked the bestseller list, and every month new operatives peered from the dust jackets of international thrillers. Most of the books, of course, were time killers, for those who like it dead. But a few managed to cross the DMZ into the demanding arena of art.

There is a colorless London house lives George Smiley, Master Spy (ret.). Resolutely out of style, fat as the Michelin tire man, he has long been cuckolded by his wife and betrayed by close associates. It is time the old cold warrior hung up his spines. Not Smiley. Once more, Author John le Carré trots him out in a flawed and misnamed adventure: *Smiley's People* is actually about the people's Smiley. All of his endearing characteristics, so well catalogued in *Tinker, Tailor, Soldier, Spy* and *The Honourable Schoolboy*, are herein amplified. Now heading toward 70, the man retains the ruffled character of a professor who has forgotten his socks—and perhaps his name. Yet Smiley misses no conversational nuance, no back-stairs Whitehall intrigue. Because of a few previously overlooked clues, his final assignment rises to an Olympic-scale contest of Soviet and British will.

In the great tradition, *Smiley's People* begins with minor violence. An obsolete agent has been shot. His terminal message is broadcast to Smiley, sometime head of the Circus—the British Secret Service. But détente is now the order of the day, and

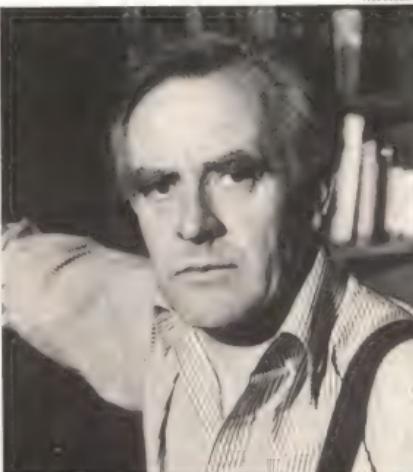
the Circus is anxious to bury both the victim and his story. Ordinarily, the ultimate company man might agree. But behind homicide Smiley detects the ruthless spirit of Karla, his longtime adversary in Moscow. Publicly accepting the injunction of superiors, Smiley decides to do a little freelance investigation. On the scent from London to Germany he encounters a brilliant cast of characters from previous enterprises: Connie, the sapphic Soviet expert whom the Circus has dubbed Mother Russia; Oliver Lacon, the icy intelligence chief whose marital distress parallels Smiley's; the estranged Ann, still Mrs. Smiley, and still destructive; and, ultimately, Karla himself.

From the airless corridors of London to the shadow of the Berlin Wall. Smiley battles Karla as masters play chess by mail, visualizing the opponent, pondering alternatives, waiting agonizing days for the next move. And herein lie the novel's aggravating weaknesses. Readers have been here long, long ago. Smiley, the cerebral sleuth, may as corpulent as Nero Wolfe, but in this adventure he is suddenly Sherlock Holmes redux. His obsessive enemy is a new version of Dr. Moriarty. The audience is Watson, condemned to wonder what the detective is up to when he examines those cigarettes and whom he sees in that faded snapshot—questions resolved at the proper theatrical instants. Moreover: Karla, in a pivotal chapter, turns out not to be inhuman after all; he has, in fact, Victorian sentiments, although in all previous appearances, he has been nothing but an arachnid.

In any other spy novel these might be fatal lapses. But Le Carré is not any other spy novelist. Throughout, he is aware not only of the moral squalor that can attend espionage—but also of Auden's ironic observation: "We are left alone with our day, and the time is short and History to the defeated/ May say Alas but cannot help or pardon."

Those conflicting observations give Smiley his dimension and *Smiley's People* its distinction. Yet aficionados must view this work with mixed feelings. It is melancholy to realize that a weakly plotted book contains the secret agent's last bow. It is reassuring to know that even now John le Carré, Circus Master, is in Switzerland pondering the next big act for the center ring.

—Stefan Kanfer



John le Carré plots new espionage at his retreat in Switzerland
"History... may say Alas but cannot help or pardon."

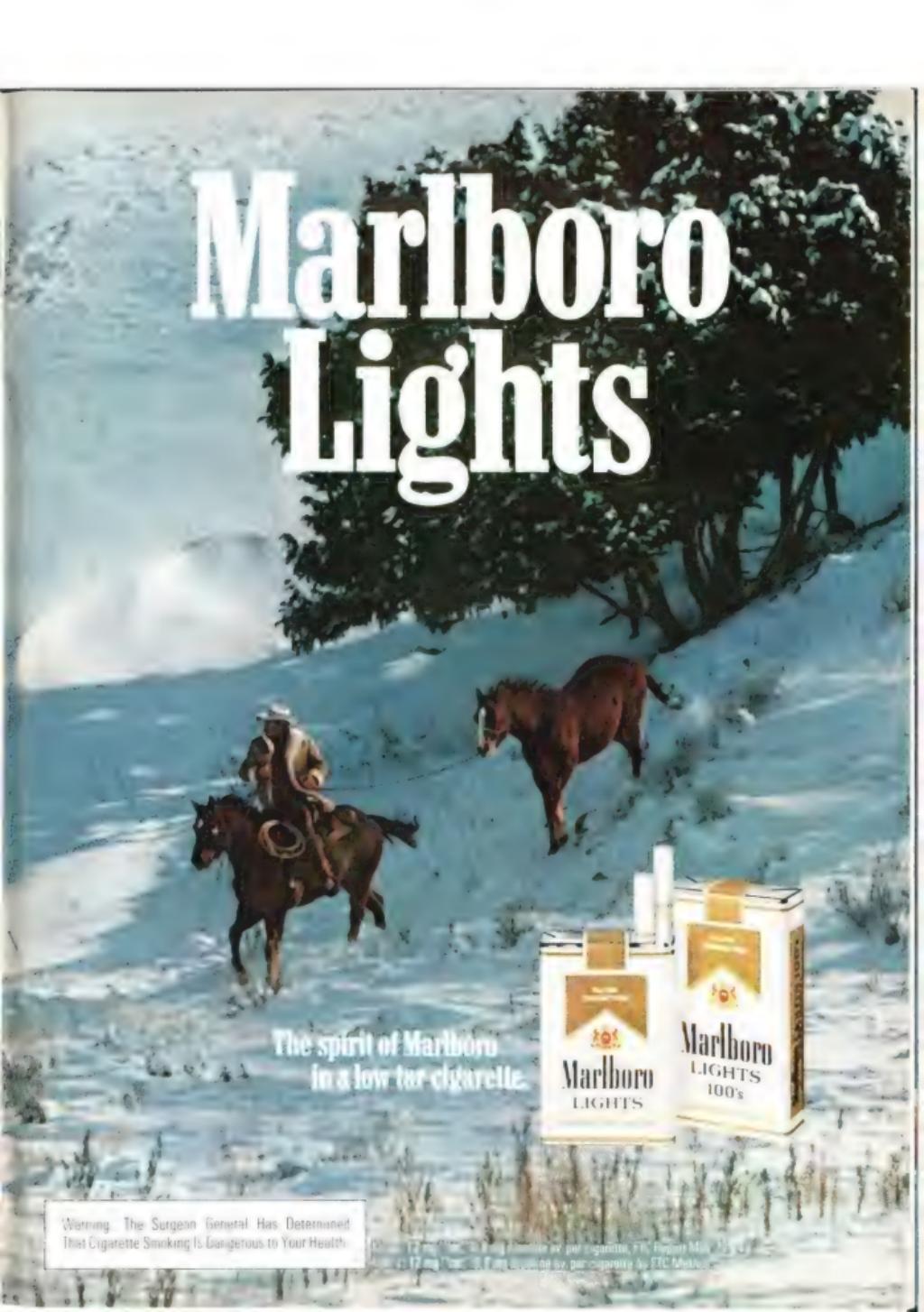
Excerpt

"Not a private house, thought Smiley... A restaurant? Too furtive, too guarded—and surely they would have announced themselves as they picked up the phone?"

Don't force the pieces, he warned himself. Store them away. Patience. But how to be patient when he had so little time?... All his professional life, it seemed to Smiley, he had listened to similar verbal antics signalling supposedly great changes in Whitehall doctrine: signalling restraint, self-denial, always another reason for doing nothing. He had watched Whitehall's skirts go up, and come down again, her belts being tightened, loosened, tightened. He had been the witness, or victim—or even reluctant prophet—of such spurious cults as lateralism, parallelism, separatism, operational devolution, and now, if he remembered Lacon's most recent meanderings correctly, of

integration. Each new fashion had been hailed as a panacea: "Now we shall vanquish, now the machine will work!" Each had gone out with a whimper, leaving behind it the familiar English muddle, of which, more and more, in retrospect, he saw himself as a lifelong moderator. He had forborne, hoping others would forbear, and they had not. He had toiled in back rooms while shallower men held the stage. They held it still. Even five years ago he would never have admitted to such sentiments. But today, peering calmly into his own heart, Smiley knew that he was unled, and perhaps unleadable; that the only restraints upon him were those of his own reason, and his own humanity. As with his marriage, so with his sense of public service. I invested my life in institutions—he thought without rancour—and all I am left with is myself." And with Karla, he thought; with my black Grail."

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Books

Loose Ends

THE FALCON AND THE SNOWMAN

by Robert Lindsey

Simon & Schuster: 358 pages; \$12.95

A spy story need not be fiction to tax credulity. Take the absurd story of Christopher Boyce and Daulton Lee. Christopher was a thoughtful, well-behaved boy with a passion for falconry and ambition for the priesthood. Daulton was a young "snowman," a dealer in cocaine and other drugs to the bored and cuddled youth of Southern California.

Their espionage career began in 1974 after Christopher's father, an FBI man turned electronics executive, got his son a \$140-a-week job with TRW Defense and Space Systems Group near Los Angeles. The young man's duties included

sey. "his job in the Black Vault became an opportunity to take a saber stroke at both the world's superpowers at once ... and Daulton had had the greed to serve his purpose."

Over the next year they sold thousands of messages, diagrams and computer codes to the resident Soviet agents, including a KGB colonel with steel teeth. The Soviets wound up unwittingly bank-rolling Daulton's drug operation, and the pair came to grief only after an unannounced delivery to the embassy to raise cash for a big drug deal. The friends turned against each other at their trials. Christopher saying he had been blackmailed into stealing the secrets by his former friend. Daulton insisting that all along he had been told they were working for the U.S., spreading false information. Judge and jury were unimpressed: the spies will not be eligible for parole until about 1995.



Left, Christopher Boyce just after his arrest; right, Daulton Lee following his conviction

An opportunity to take a saber stroke at both the world's superpowers at once.

handling coded messages from the CIA about spy satellites. He worked in a room called the Black Vault, off limits to all but half a dozen TRW employees. The group found plant security so lax that they spent their days getting drunk on booze smuggled in via a CIA pouch, mixing dairiaries in a document shredder and selling Amway household products over the secure telephone line. Chris was sometimes sober enough to be appalled by the messages he was handling: the CIA was spying by satellite on friendly nations like France and Israel and trying to topple the new leftist government of Australia.

When Boyce confided his concern to his pal, the drug dealer suggested a way to retaliate: hand over some incriminating TRW documents to peddle at the Soviet embassy in Mexico City. To Boyce, writes New York Times Reporter Robert Lind-



The Falcon and the Snowman omits no telling detail—about falconry, the drug trade, spy satellites, the duo's stoned bumbling, and their torturous legal battles after capture. But there are enough tantalizing loose ends in the book to make it clear that Lindsey is describing life, not art. Why, for instance, did TRW put a 21-year-old, \$140-a-week college dropout in such a sensitive post? Did the leaks really damage U.S. security? Perhaps Boyce and Lee actually were being used by the CIA to spread false evidence. If not, concludes Lindsey, then "the affair of the snowman and the spy who called himself Falcon was an episode that demonstrated amazing ineptitude on the part of the Central Intelligence Agency." Even the most casual readers of newspaper headlines will recognize the allegation as pure nonfiction.

—Donald Morrison

Roll 'Em

MOVIOLA

by Garson Kanin

Simon & Schuster: 446 pages; \$12.95

Contrary to cliché, Hollywood does not manufacture dreams; it preserves them in strips of celluloid that promise eternal life. Hollywood embalms desire. Hollywood is a necropolis lined with deities made to appear more beautiful and menacing than they really are. Hollywood, in short, is a good read, even when encountered in *Moviola*, an overwrought, eulogistic novel about the film business. The book is a greenhorn-to-mogul saga with cameo performances by great stars of the distant and recent past. There is even a bit part for Thomas Alva Edison, without whose inventive genius ...

The entrepreneurial brains are provided by B.J. Farber, a fictional composite of those remarkable immigrants who parlayed dry-goods stores, nickelodeons and theater chains into movie fiefs. They are here too: Goldwyn, Mayer, Zukor, et al. Farber is a lovable old shark. The book's unlovable shark is Hareem Adani, a New York-based conglomerate chief out to add Farber Films to his corporate shell collection.

Adani, a Levantine of unspecified nationality, contains all the ruthlessness, greed, ill temper and bad manners heretofore ascribed to some Jewish studio heads. The unfortunate result is to create two stereotypes where one is more than enough. The characterization nevertheless has its uses. Adani sends a class operator to California to make a deal with Farber. He bears the elegant name of Guy Barrere and a résumé that includes the Columbia University School of Journalism and *Rolling Stone*.

Farber is more convincing, even when he sits Barrere down (after dinner with Fred Astaire, the Jimmy Stewarts, Claudette Colbert, the Gregory Peeks and the Henry Fondas) and tells him his life story. It is an epic feature that includes three wives, mistresses, ups, downs and flashbacks from movie history. Farber is present at the Creation. After his theater chain folds he becomes production assistant to Mack Sennett at D.W. Griffith's Biograph studios in New York. Sennett and Mabel Normand carry on their Keystone Kops love affair: Harold Lloyd simulates climbing the side of a building on a façade laid flat on the floor. Fatty Arbuckle takes a blueberry pie in the face; and Buster Keaton gives Charlie Chaplin costume advice for a tramp-like character he hopes will make people laugh.

Garson Kanin, playwright (*Born Yesterday*), novelist (*The Rat Race*) and Hollywood memoirist, is wooden in his overall structure but energetic in his scenes.

Books



Garrison Kanin

Greenhorn-to-mogul, with cameos.

The Fatty Arbuckle party that led to his sex scandal, trial, ruin and censorship; Greta Garbo's slow but sure rise to stardom amid the "ah-rinth" groves; and the pandemic search for an actress to play Scarlett O'Hara. Much space is devoted to novelization of the rise and fall of Marilyn Monroe. Farber's conclusion: Hollywood did not kill her; "it was just a case of bad luck, mismanagement. She met the wrong people, she got bad advice."

Is this the misfortune, mismanagement and bad advice that led to legendary stardom? No matter. The Farbers have a stake in making The Industry smell like a rose. The Kanins don't mind either. DeMillean in scope and cast, *Moviola* reads like the greatest benefit performance ever told.

—R.Z. Sheppard

Private Acts

A MARRIED MAN
by Piers Paul Read
Lippincott: 264 pages: \$10.95

The simplest moral of this quiet, affecting novel might be: Don't Read Tolstoy. John Strickland, 40, is a successful London barrister who casually picks up *The Death of Ivan Ilych* during an August retreat at the home of his wife's parents. The lawyer finds himself deeply rattled by the Tolstoy hero's mounting despair, especially by the question Ilych asks himself: "Maybe I did not live as I ought to have done?" Querying himself in the same manner, Strickland realizes that he loathes his career, the expensive trappings of his upper-middle-class existence and his marriage of twelve years.

Such mid-life crises threaten to become as much a cliché in literature as they are in life. Yet Piers Paul Read, 38, puts a lot of his native English on

this familiar pitch. He knows, as most chroniclers of Me Decade shenanigans do not, that private acts have public consequences: in the great tradition of British novelists, he draws society as a delicate, vast spider web, tuned to vibrate at the lightest footfall or breath of scandal. In addition, Read is a self-described "serious Catholic" and scales this novel to dimensions familiar to readers of Graham Greene: his hero's quest for fulfillment progresses not only as an item of gossip but as a spectacle under the cold eye of eternity.

The ensuing judgment, not surprisingly, is unfavorable. During the winter of 1973-74, with the English unions and the Conservative government locked in strikes and threats, Strickland becomes active in Labor Party politics, on the side all his well-to-do friends detest. He thinks he is rekindling the socialist torch he carried when young, but his wife Clare scolds him: "You're addicted to your own self-importance and like a real junkie you need bigger and bigger doses to keep going." Strickland also becomes embroiled in an affair with an enormously rich young woman and realizes, belatedly, that she thinks he will break up his home for her. He argues to himself that her impression never came from him: "He might have had daydreams of Clare's demise but he had never thought of leaving her, with or without the children."

Daydreaming about the death of a spouse is a punishable offense in the world of this novel, particularly when the dreamer has a girlfriend with limitless funds and a small portfolio of scruples. When Clare does indeed die violently, Strickland and the London police seem curiously unwilling to suspect the one person who had most to gain from the murder.

A Married Man coasts over this hole in its plot because of its cushion of intelligence and moral fastidiousness. Au-



Piers Paul Read

Putting English on a familiar pitch.

thor Read is best known in the U.S. as the author of *Alive*, a nonfiction account of how some Uruguayan survivors of a plane crash in the Andes resorted to cannibalism to survive; his six previous novels, far less sensational, deserve more readers than they have received, and his latest may be his best. No one now writing has achieved quite the same equipoise between malaise and morality, ideas and emotions. In this tale of human imperfectionality, the devil gets his due and not a scintilla more.

—Paul Gray

Editors' Choice

FICTION: Old Love, *Isaac Bashevis Singer* • On the Edge of the Cliff, *V.S. Pritchett* • Passion Play, *Jerzy Kosinski* • Shikasta, *Doris Lessing*

The Executioner's Song, *Norman Mailer* • The Ghost Writer, *Philip Roth* • Uncollected Stories of William Faulkner, *Edited by Joseph Blotner*

NONFICTION: Charmed Lives, *Michael Korda* • J.M. Barrie & the Lost Boys, *Andrew Birkin* • Testimony: The Memoirs of Dmitri Shostakovich, *as related to and edited by Solomon Volkov* • The Duke of Deception, *Geoffrey Wolff* • The Right Stuff, *Tom Wolfe* • W.H. Auden, *Charles Osborne* • White House Years, *Henry Kissinger*

Best Sellers

FICTION

1. Jailbird, *Vonnegut* (1 last week)
2. The Establishment, *Fast* (2)
3. Triple, *Follett* (4)
4. Memories of Another Day, *Robbins* (3)
5. The Last Enchantment, *Stewart* (5)
6. Smiley's People, *Le Carre*
7. The Executioner's Song, *Mailer* (10)
8. The Top of the Hill, *Shaw*
9. Sophie's Choice, *Styron* (7)
10. The Third World War, *Hackett et al.* (8)

NONFICTION

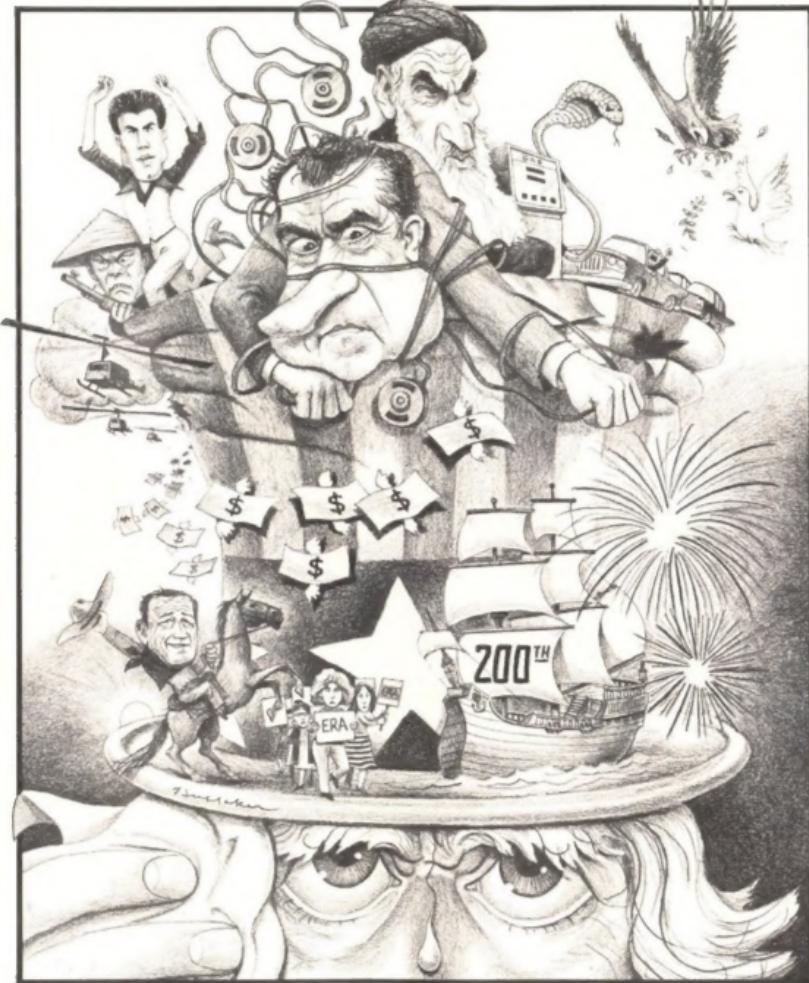
1. White House Years, *Kissinger* (1)
2. Aunt Erma's Cope Book, *Bombbeck* (2)
3. The Complete Scarsdale Medical Diet, *Tarnower & Baker* (3)
4. James Herriot's Yorkshire, *Herriot* (9)
5. Serpentine, *Thompson* (4)
6. The Right Stuff, *Wolfe* (7)
7. The Brethren, *Woodward & Armstrong* (10)
8. How to Prosper During the Coming Bad Years, *Ruf* (5)
9. Cruel Shoes, *Martin* (8)
10. The Pritikin Program for Diet and Exercise, *Pritikin with McGrady*

We made it!

We weathered the stormy Seventies. The system edged toward the brink, but it also worked. We will never be the same.

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Education

Was Robin Just a Hood?

A team of Texan critics take textbooks to task

One day back in 1961, young Jim Gabler came home from high school in Hawkins, Texas, and told his parents that he was bothered by his history textbook. When his father, Mel, read the book, *Our Nation's Story*, he was more than bothered; he was outraged. In a chapter on the U.S. Constitution, the book puffed up the powers of the Federal Government but minimized states' rights. Recalls Gabler: "It was teaching that Washington has complete dictatorial power."

Though neither Mel, 64, nor his wife Norma, 56, was a college graduate (Mel worked as a clerk for Exxon, Norma as wife and mother), they began that day to pursue new careers—part-time at first, then full-time—as readers and harsh critics of textbooks. Says Norma: "I believe that this is what God would want us to do."

Eighteen years after the Gablers began their crusade, Edward Jenkinson, professor of education at Indiana University, calls them "the two most powerful people in education today." That is an overstatement. But the Gablers have certainly inspired attacks on textbooks by a host of community groups and thousands of parents throughout the U.S.

Their most frequent complaints: political bias, lack of patriotism and failure to provide students with firm moral guidance. The nine-room house the Gablers built in 1965 in Longview, Texas, is crammed with shelves of textbooks and copies of line-by-line listings of their objections and those lodged by other volunteers. They have become a clearinghouse ("The nation's largest," says Mel) for critiques written by almost anyone of textbooks, dictionaries and library books. They mail copies on request and receive contributions in return that total some \$60,000 per year.

Their power base is the state of Texas, where they have incorporated as Educational Research Analysts, a tax-exempt organization with a staff of six. Their detailed reviews of new textbooks under consideration by Texas schools, and Norma's motherly testimony before the State Textbook Committee have great impact in Texas, where schools have tossed out a number of new dictionaries that included terms like "slut," "queer" and "bed, verb transitive." Their objections to a number of health and government texts aroused elected officials on the Texas Board of Education, who last month dropped five of

ten books that the Gablers had opposed. What Texas does affects textbook publishers nationally, because the state selects all elementary and secondary texts through a single committee. Thus, book purchases from Texas provide publishers with large textbook orders.

"We're not censors," argues Mel, adding, "only people with authority can censor." The Gablers simply make their views available to school board members and concerned parents, Norma explains. "They could read the books themselves but for us to read them will save hun-

gry Bishop
ment, a widely used high school text that Texas struck off its list this year. The book says: "Year after year, the Defense Department takes a very substantial slice of the federal budget." The Gablers call that a "subtle bias" in favor of the view that America should disarm. The book also quotes a statement by President Eisenhower in which he voices the historic concern that money for weapons is money not spent to feed the hungry or clothe the cold. Again the Gablers object because they think that the statement shows excessive "stress on the opinion that money spent to defend the whole country should be used to help the poor." They also see bias in the book's standard claim that the Constitution has endured since 1787 through continual interpretation. The fault they find here is "emphasis on the changing nature of our Constitution. The amazing fact about our Constitution is its stability," they observe.

Texas education officials swear by the Gablers. "Their ideas about educational materials are the ideas parents want," says Alton Bowen, deputy commissioner of education. But elsewhere, educators and most of the nation's major textbook publishers take a chillier view. Says Richard Carroll, president of Allyn and Bacon, publisher of *Magruder's*: "They are attempting to impose their political and social and religious and economic beliefs on everybody else in the U.S." And indeed, though the Gablers claim only to seek "balance," their criticism seems to spring from a hell-for-leather conservatism in politics and Bible belt fundamentalism.

The Gablers are taken seriously outside the South, in part because of persistence and the detailed tenacity with which they do their homework, reading through texts and preparing lists of "objections." People tend to like them personally, because of their courtesy and obvious sincerity. Says one publisher ruefully: "Norma is the only person I know who can talk nonstop and smile at the same time."

But the Gablers have more going for them than that. However daffy their exegeses may sound to some, they reflect parental concerns that are real and run deep. As Mel puts it: "Our basic American values are being thrown out the door." Nationally, there is a powerful current of skepticism about today's educational experts, and a widespread conviction that the schools do not teach the young the values, facts and skills they need. Until schools can prove the skepticism undeserved, they can expect to face challenges, including some as outrageous as those occasionally brought by the Gablers. ■



Norma and Mel Gabler in front of their home in Texas

"Our basic American values are being thrown out the door."

Christmas is Forever

CONRAD NICHOLSON HILTON ~ A TRIBUTE

Just a year ago, a bit after Christmas
Conrad Hilton was weary and went home.
Born on Christmas Day, almost a century ago,
It was always a special day for him.

And every Christmas for a quarter of a century
He sent his greeting to his hotel family,
To his country and to the world.

We would be remiss on this
First anniversary
If we did not continue his thoughtful
Christmas message.

Now it is ours to hold it high and carry on...

... To carry on with the Hilton style, Hilton warmth,
And Hilton hospitality across the world.
For we have learned from Conrad Hilton that

Christmas is Forever.

Dawn Datta



BARRON HILTON



U.S. Government Report:

Carlton is lowest.

Box or Menthol:
**10 Carlton have less
tar than 1:**

	tar mg./cig.	nicotine mg./cig.
Kent	12	0.9
Marlboro Lights	12	0.8
Merit	8	0.6
Salem Lights	10	0.8
Vantage	11	0.8
Winston Lights	13	0.9
Carlton Soft Pack	1	0.1
Carlton Menthol	less than 1	0.1
Carlton Box	less than 0.5	0.05

Of all brands, lowest...Carlton Box: less than 0.5 mg. tar
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1 mg.
tar,
0.1 mg. nic.

**Carlton.
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The lighter
100's.**



Only
5 mg.
tar,
0.5 mg. nic.

Warning: The Surgeon General Has Determined
That Cigarette Smoking Is Dangerous to Your Health.

Box: Less than 0.5 mg. "tar," 0.05 mg. nicotine;
Soft Pack and Menthol: 1 mg. "tar," 0.1 mg. nicotine
av. per cigarette, FTC Report May '78. 100 mm. 5 mg.
"tar," 0.5 mg. nicotine av. per cigarette by FTC method.